

SCAPPOOSE *Oregon*

*Columbia County, Oregon
Annual Financial Report
Year Ending June 30, 2019*



CITY OF SCAPPOOSE, OREGON
CITY OFFICIALS
JUNE 30, 2019

CITY COUNCIL

Scott Burge, Mayor	33470 Chinook Plaza, #272 Scappoose, Oregon 97056
Patrick Kessi, Council President	33568 E Columbia Avenue Scappoose, Oregon 97056
Megan Greisen, Council Member	33568 E Columbia Avenue Scappoose, Oregon 97056
Joel Haugen, Council Member	33568 E Columbia Avenue Scappoose, Oregon 97056
Brandon Lesowske, Council Member	33568 E Columbia Avenue Scappoose, Oregon 97056
Josh Poling, Council Member	33568 E Columbia Avenue Scappoose, Oregon 97056
Natalie Sanders, Council Member	33568 E Columbia Avenue Scappoose, Oregon 97056

ADMINISTRATION

Michael Sykes, City Manager

Jill Herr, Finance Administrator

Susan Reeves, City Recorder/Budget Secretary

Norman Miller, Chief of Police

Peter Watts, City Attorney

CITY OF SCAPPOOSE, OREGON
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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT



INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying cash-basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Scappoose as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in the "Summary of Significant Accounting Policies" in the notes to the financial statements. This includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Scappoose as of June 30, 2019, and the respective changes in cash basis financial position thereof for the year then ended in conformity with the cash basis of accounting described in the "Summary of Significant Accounting Policies" in the notes to the financial statements.

Basis of Accounting

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

Other Matters

Other Information

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

The budgetary comparison information on pages 40-50 and pages 53-59, and the combining fund financial statements on pages 38-39 and pages 51-52 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with cash basis of accounting. In my opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole on the basis of accounting described in "Summary of Significant Accounting Policies" in the notes to financial statements.

Management's discussion and analysis on pages 3-8 and schedules listed in the table of contents as Other Schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on them.

Report on Other Legal and Regulatory Requirements

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, I have issued our report dated December 13, 2019, on my consideration of the City of Scappoose's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on the City's compliance.



Steve Tuchscherer, CPA
December 13, 2019

CITY OF SCAPPOOSE
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2019

As management of the City of Scappoose, we offer readers of the financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2019.

FINANCIAL HIGHLIGHTS

	June 30		Change
	2019	2018	
Net Position (Cash Basis)	\$ 13,968,987	\$ 13,269,882	\$ 699,105
Governmental net position (Cash Basis)	6,806,537	7,271,949	\$ (465,412)
Proprietary net position (Cash Basis)	7,162,450	5,997,933	\$ 1,164,517

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

Fund financial statements. The fund financial statements provide more detailed information about the City of Scappoose’s funds, focusing on its most significant or “major” funds, not the City of Scappoose as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Scappoose can be divided into two categories: governmental funds and

proprietary funds.

Governmental funds. The governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements.

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position (Cash Basis).

As noted earlier, net position serves, over time, as a useful indicator of a government’s cash position. In the case of the City of Scappoose, assets totaled \$13,968,987 at June 30, 2019.

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

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

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Cash and cash equivalents	\$ 6,806,537	\$ 7,271,949	\$ 7,162,450	\$ 5,997,933	\$ 13,968,987	\$ 13,269,882
Net position						
Restricted	3,178,021	4,012,149	2,299,837	2,290,559	5,477,858	6,302,708
Unrestricted	3,628,516	3,259,800	4,862,613	3,707,374	8,491,129	6,967,174
Total net position	\$ 6,806,537	\$ 7,271,949	\$ 7,162,450	\$ 5,997,933	\$ 13,968,987	\$ 13,269,882

Statement of Activities. During the current fiscal year, the City of Scappoose’s cash position increased by \$699,105. The key elements of the change in Scappoose’s cash position for the year ended June 30, 2019 are as follows:

- Fees, fines and charges for services increased by \$82,795 due to increased construction permit activity and related SDC receipts.
- Capital grants and contribution income decreased by \$2,036,443 due to grant monies received the previous fiscal year for many of the infrastructure improvement projects.
- Disbursements decreased \$631,449 largely due to several infrastructure improvement projects are complete or near complete.

Financial Analysis of the City of Scappoose's Funds

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

Statement of Activities
For the years ended June 30,

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues						
Fines, fees, charges for services	\$ 654,357	\$ 1,140,896	\$ 4,479,107	\$ 3,909,773	\$ 5,133,464	\$ 5,050,669
Operating grants and contributions	1,026,714	722,692			1,026,714	722,692
Capital grants and contributions	1,220,571	2,680,136	120,275	697,153	1,340,846	3,377,289
General receipts						
Property tax	2,177,639	1,968,338	46,197	46,227	2,223,836	2,014,565
Franchise fees	481,890	467,932	-	-	481,890	467,932
Intergovernmental	-	823,860	-	-	-	823,860
Miscellaneous	193,670	67,112	165,224	95,018	358,894	162,130
Customer Deposits	249,794	-	2,925	17,340	252,719	17,340
Total revenues	6,004,635	7,870,966	4,813,728	4,765,511	10,818,363	12,636,477
Expenses						
General government	648,373	920,977	-	-	648,373	920,977
Court and police	1,754,541	1,863,844	-	-	1,754,541	1,863,844
Community services and development	436,840	392,663	-	-	436,840	392,663
Culture and recreation	1,334,968	949,974	-	-	1,334,968	949,974
Interest on long-term debt	6,409	16,690	-	-	6,409	16,690
Highways and streets	2,446,903	2,315,810	-	-	2,446,903	2,315,810
Storm Drain	-	-	114,952	287,496	114,952	287,496
Water	-	-	1,889,891	2,118,237	1,889,891	2,118,237
Sewer	-	-	1,486,381	1,885,016	1,486,381	1,885,016
Total expenses	6,628,034	6,459,958	3,491,224	4,290,749	10,119,258	10,750,707
Net assets before transfers	(623,399)	1,411,008	1,322,504	474,762	699,105	1,885,770
Transfers	157,987	243,341	(157,987)	(243,341)	-	-
Change in net position	(465,412)	1,654,349	1,164,517	231,421	699,105	1,885,770
Net position, beginning of year	7,271,949	5,617,600	5,997,933	5,766,512	13,269,882	11,384,112
Net position, end of year	6,806,537	7,271,949	7,162,450	5,997,933	13,968,987	13,269,882

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

At June 30, 2019, the City's governmental funds reported combined ending fund balances of \$6,806,537.

As detailed in the notes to the financial statements, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement #54 *Fund Balance Reporting and Governmental Fund*

Types Definitions. Among the changes required is that special revenue funds whose primary source of funding is transfers from the General Fund be reported as part of the General Fund. Therefore, in the Governmental Funds Balance Sheet and the Statement of Receipts, Disbursements and Changes in Fund Balances, the Unemployment Fund and the Watts Fund has been combined with the General Fund.

General Fund. The General Fund is the primary operating fund of the City. As of June 30, 2019, unrestricted fund balance was \$3,628,516. The fund balance increased by \$608,391 during the current fiscal year. As a measure of the fund’s liquidity, it may be useful to compare total fund balance to total fund disbursements. Fund balance represents 96 percent of total General Fund disbursements.

General Fund Budgetary Highlights

The city council made adjustments to the adopted budget for the fiscal year ended June 30, 2019, which are reflected in the schedules of budget to actual by fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The City of Scappoose’s investment in capital assets includes land, buildings and associated improvements, vehicles and equipment. As of June 30, 2019, Scappoose had invested \$38,454,777 in capital assets, net of depreciation, as shown in the following table:

**Capital Assets
As of June 30, 2018 and 2019**

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Land	\$ 2,115,103	\$ 2,115,103	\$ 389,036	\$ 389,036	\$ 2,504,139	\$ 2,504,139
Buildings	3,939,936	3,620,121	4,892,851	4,881,065	8,832,787	8,501,186
Equipment	1,786,074	1,126,651	2,525,123	2,128,272	4,311,197	3,254,923
Vehicles	765,830	743,413	733,664	733,664	1,499,494	1,477,077
Infrastructure	65,858,544	63,766,914	-	-	65,858,544	63,766,914
Water and sewer system		-	21,738,910	21,609,664	21,738,910	21,609,664
	74,465,487	71,372,202	30,279,584	29,741,701	104,745,071	101,113,903
Less: accumulated depreciation	(51,650,095)	(49,813,120)	(14,640,199)	(13,956,152)	(66,290,294)	(63,769,272)
Net capital assets	<u>\$22,815,392</u>	<u>\$21,559,082</u>	<u>\$15,639,385</u>	<u>\$15,785,549</u>	<u>\$38,454,777</u>	<u>\$37,344,631</u>

During fiscal year 2018-19, the City’s investment in capital assets increased by \$1,110,146

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

Long-term debt. At the end of the current fiscal year, the City of Scappoose had total bonded debt (general obligation and revenue bonds) outstanding of \$4,328,726 and capital leases in the amount of \$201,032. During the current fiscal year, the City’s total debt decreased by \$590,814. Additional information on the City’s long-term debt can be found in the notes to the basic financial

statements of this report. Under the cash basis of accounting, long term debt is not recorded in the financial statements. The following information is reported for disclosure purposes only.

As of June 30, 2018 and 2019

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Notes Payable	\$ -	26,202	4,125,853	\$ 4,490,037	\$ 4,125,853	\$ 4,516,239
Bonds Payable		-	202,873	292,071	202,873	292,071
Capital lease	49,951	90,154	151,081	222,108	201,032	312,262
	<u>\$ 49,951</u>	<u>116,356</u>	<u>4,479,807</u>	<u>\$ 5,004,216</u>	<u>\$ 4,529,758</u>	<u>\$ 5,120,572</u>

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

The City of Scappoose’s Budget Committee considered all the following factors while preparing the budget for the 2018-19 fiscal year.

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

REQUESTS FOR INFORMATION

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

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

BASIC FINANCIAL STATEMENTS

CITY OF SCAPPOOSE, OREGON
STATEMENT OF NET POSITION (CASH BASIS)
YEAR ENDED JUNE 30, 2019

	<u><i>Governmental Activities</i></u>	<u><i>Business-type Activities</i></u>	<u><i>Totals</i></u>
ASSETS			
Cash and cash equivalents	\$ 6,806,537	\$ 7,162,450	\$ 13,968,987
<i>Total Assets</i>	<u>6,806,537</u>	<u>7,162,450</u>	<u>13,968,987</u>
NET POSITION			
Restricted			-
Customer Deposits	249,794	2,925	252,719
Capital Projects	1,827,621	2,296,912	4,124,533
Unemployment	61,967		61,967
Special Revenue	1,038,639		1,038,639
Unrestricted	3,628,516	4,862,613	8,491,129
<i>Total Net Position</i>	<u>\$ 6,806,537</u>	<u>\$ 7,162,450</u>	<u>\$ 13,968,987</u>

The accompanying notes are an integral part of the financial statements

CITY OF SCAPPOOSE, OREGON
STATEMENT OF ACTIVITIES (CASH BASIS)
YEAR ENDED JUNE 30, 2019

RECEIPTS	Cash Disbursements	Program Receipts			Net Changes in Net Position		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals
Functions/Programs							
Governmental activities:							
General government	\$ 648,373	\$ 299,654	\$ 519,520	\$ -	\$ 170,801	\$ -	\$ 170,801
Public safety	1,754,541	218,305	-	-	(1,536,236)	-	(1,536,236)
Culture and recreation	1,334,968	340	-	22,952	(1,311,676)	-	(1,311,676)
Community development	436,840	136,058	-	-	(300,782)	-	(300,782)
Highways and streets	2,446,903	-	507,194	1,197,619	(742,090)	-	(742,090)
Interest on long-term debt	6,409	-	-	-	(6,409)	-	(6,409)
<i>Total Governmental Activities</i>	6,628,034	654,357	1,026,714	1,220,571	(3,726,392)	-	(3,726,392)
Business-type activities:							
Water	1,889,891	2,297,448	-	113,355	-	520,912	520,912
Sewer	1,486,381	1,990,128	-	6,920	-	510,667	510,667
Storm Drain	114,952	191,531	-	-	-	76,579	76,579
<i>Total Business-type Activities</i>	3,491,224	4,479,107	-	120,275	-	1,108,158	1,108,158
<i>Total Activities</i>	\$ 10,119,258	\$ 5,133,464	\$ 1,026,714	\$ 1,340,846	(3,726,392)	1,108,158	(2,618,234)
General Receipts:							
Property taxes					2,177,639	46,197	2,223,836
Franchise taxes					481,890	-	481,890
Intergovernmental					-	-	-
Fines and forfeitures					1,434	-	1,434
Miscellaneous					192,236	165,224	357,460
Customer Deposits					249,794	2,925	252,719
<i>Total General Receipts</i>					3,102,993	214,346	3,317,339
Transfers					157,987	(157,987)	-
Change in net Position					(465,412)	1,164,517	699,105
Net position, July 1, 2018					7,271,949	5,997,933	13,269,882
Net Position, June 30, 2019					6,806,537	7,162,450	13,968,987

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

CITY OF SCAPPOOSE, OREGON

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

YEAR ENDED JUNE 30, 2019

	<i>General</i>	<i>Special Revenue</i> <i>Street</i>	<i>Capital Projects</i> <i>Street</i> <i>SDC</i>	<i>Other</i> <i>Governmental</i> <i>Funds</i>	<i>Totals</i>
CASH ASSETS					
Cash and cash equivalents	\$ 3,940,277	620,364	921,492	1,324,404	\$ 6,806,537
FUND BALANCES					
Restricted for					
Capital Projects				179,444	179,444
Customer Deposits	249,794				249,794
Unemployment	61,967				61,967
Capital Projects			921,492	726,685	1,648,177
Special Revenue		620,364		418,275	1,038,639
Unassigned	3,628,516				3,628,516
<i>Total Fund Balances</i>	<i>\$ 3,940,277</i>	<i>\$ 620,364</i>	<i>\$ 921,492</i>	<i>\$ 1,324,404</i>	<i>\$ 6,806,537</i>

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

CITY OF SCAPPOOSE, OREGON
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES-
(CASH BASIS) – GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Totals</u>
	<u>General</u>	<u>Street</u>	<u>Street</u> <u>SDC</u>		
CASH RECEIPTS					
Taxes and assessments	\$ 2,177,639	\$ -	\$ -	\$ -	\$ 2,177,639
Licenses and permits	502,832	106,871	32,740	122,333	764,776
Charges for services	273,159	-	-	24,134	297,293
Intergovernmental	653,075	1,658,655	-	5,123	2,316,853
Miscellaneous	116,012	21,851	22,887	37,530	198,280
Customer Deposits	249,794				
<i>Total Receipts</i>	3,972,511	1,787,377	55,627	189,120	6,004,635
DISBURSEMENTS					
General government	624,281		-	220,013	844,294
Court and police	1,747,839		-	-	1,747,839
Highways and streets	-	325,739	-	6,702	332,441
Culture and recreation	296,443		-	24,092	320,535
Community development	216,827		-	-	216,827
Capital outlay	682,828	2,094,962	-	315,494	3,093,284
Debt service	45,736	-	27,078	-	72,814
<i>Total Disbursements</i>	3,613,954	2,420,701	27,078	566,301	6,628,034
RECEIPTS OVER (UNDER)					
DISBURSEMENTS	358,557	(633,324)	28,549	(377,181)	(623,399)
OTHER FINANCING SOURCES (USES)					
Transfers in	403,034	-	-	458,660	861,694
Transfers out	(153,200)	(58,179)	(4,577)	(487,751)	(703,707)
<i>Total Other Financing Sources (Uses)</i>	249,834	(58,179)	(4,577)	(29,091)	157,987
NET CHANGE IN FUND BALANCES	608,391	(691,503)	23,972	(406,272)	(465,412)
FUND BALANCES, Beginning of year	3,331,886	1,311,867	897,520	1,730,676	7,271,949
FUND BALANCES, End of year	\$ 3,940,277	\$ 620,364	\$ 921,492	\$ 1,324,404	\$ 6,806,537

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

CITY OF SCAPPOOSE, OREGON

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

YEAR ENDED JUNE 30, 2019

	<u>Water Utility</u>	<u>Waste Water Utility</u>	<u>Waste Water SDC</u>	<u>Other Business-type Funds</u>	<u>Totals</u>
CASH ASSETS					
Cash and cash equivalents	\$ 3,409,843	1,455,695	1,052,146	1,244,766	\$ 7,162,450
NET POSITION					
Restricted	2,925	-	1,052,146	1,244,766	2,299,837
Unrestricted	3,406,918	1,455,695	-	-	4,862,613
<i>Total Net Position</i>	<u>\$ 3,409,843</u>	<u>\$ 1,455,695</u>	<u>\$ 1,052,146</u>	<u>\$ 1,244,766</u>	<u>\$ 7,162,450</u>
<i>Total Liabilities and Net Assets</i>	<u>\$ 3,409,843</u>	<u>\$ 1,455,695</u>	<u>\$ 1,052,146</u>	<u>\$ 1,244,766</u>	<u>\$ 7,162,450</u>

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

CITY OF SCAPPOOSE, OREGON
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH POSITION -
(CASH BASIS) – PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2019

	<u>Water Utility</u>	<u>Waste Water Utility</u>	<u>Waste Water SDC</u>	<u>Other Business-type Funds</u>	<u>Totals</u>
OPERATING RECEIPTS					
Taxes and assessments	\$ -	\$ -	\$ -	\$ 46,197	\$ 46,197
Licenses and permits	120,031	118,704	-	75,382	314,117
Charges for services	2,121,220	1,871,299	50,776	185,648	4,228,943
Intergovernmental	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Miscellaneous	132,743	31,891	26,119	30,791	221,544
Customer water security deposits	2,925				2,925
<i>Total Operating Receipts</i>	<u>2,376,919</u>	<u>2,021,894</u>	<u>76,895</u>	<u>338,018</u>	<u>4,813,726</u>
OPERATING DISBURSEMENTS					
Personal services	749,748	758,896	-	70,247	1,578,891
Materials and services	323,347	405,691	-	32,919	761,957
Capital outlay	328,120	157,819	40,159	11,786	537,884
<i>Total Operating Disbursements</i>	<u>1,401,215</u>	<u>1,322,406</u>	<u>40,159</u>	<u>114,952</u>	<u>2,878,732</u>
OPERATING RECEIPTS OVER (UNDER) OPERATING DISBURSEMENTS	975,704	699,488	36,736	223,066	1,934,994
NON OPERATING RECEIPTS (DISBURSEMENTS)					
Loan proceeds	-	-	-	-	-
Debt service					
Principal	(132,406)	(117,642)	-	(252,301)	(502,349)
Interest	(31,561)	(6,174)	-	(72,408)	(110,143)
<i>Total Non Operating Receipts (Disbursements)</i>	<u>(163,967)</u>	<u>(123,816)</u>	<u>-</u>	<u>(324,709)</u>	<u>(612,492)</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS					
System development revenue		-	-	-	-
Transfers in	-	-	-	95,444	95,444
Transfers out	(136,306)	(110,279)	(2,077)	(4,769)	(253,431)
NET CHANGES IN POSITION	675,431	465,393	34,659	(10,968)	1,164,515
NET POSITION, Beginning of year	<u>2,734,412</u>	<u>990,302</u>	<u>1,017,487</u>	<u>1,255,734</u>	<u>5,997,935</u>
NET POSITION, End of year	<u>\$ 3,409,843</u>	<u>\$ 1,455,695</u>	<u>\$ 1,052,146</u>	<u>\$ 1,244,766</u>	<u>\$ 7,162,450</u>

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Basic Financial Statements

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

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

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

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

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

CITY OF SCAPPOOSE, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

and are detailed in the other supplementary information.

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

Basis of Presentation

The City reports the following major governmental funds:

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

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

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

Street SDC Fund - accounts for the system development charges.

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

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

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

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

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

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

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

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

The City reports the following major proprietary funds:

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

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

CITY OF SCAPPOOSE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The City reports the following non major proprietary funds:

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

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

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

Airpark Water Line – to accounts for receipts and disbursements associated with this capital project.

G O Bond Water-Wastewater Fund - to account for receipts applicable to the retirement of bonds and related interest.

Fund Balance

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

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

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

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

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

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

CITY OF SCAPPOOSE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Definitions of Governmental Fund Types

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

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

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

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

Measurement Focus and Basis of Accounting

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

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

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

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

CITY OF SCAPPOOSE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Use of Estimates

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

Cash and Cash Equivalents

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

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

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

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

Property Taxes

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

Capital Assets

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

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

CITY OF SCAPPOOSE, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Long-Term Debt

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

Use of Restricted Assets

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

Accrued Compensated Absences

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

Budgets and Budgetary Accounting

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

CASH

Cash and investments are comprised of the following at June 30, 2019:

	<u>Carrying Value</u>	<u>Fair Value</u>
Cash		
Petty cash	\$ 400	\$ 400
Cash in checking	94,360	94,360
Restricted cash-deposits for business activities	148,210	148,210
Cash deposits	334,133	334,133
Investments		-
Local Government Investment Pool	13,391,884	13,391,884
	<u>\$ 13,968,987</u>	<u>\$ 13,968,987</u>

CITY OF SCAPPOOSE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2019

CASH (continued)

Deposits

At year end, the book balance of the City's bank deposits (checking) was \$94,360 and the bank balance was \$231,345. The difference is due to transactions in process. All deposits not covered by FDIC insurance are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon.

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the City's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the City's deposits with financial institutions up to \$250,000 each for the aggregate of all non-interest bearing accounts and the aggregate of all interest bearing accounts at each institution. Deposits in excess of FDIC coverage are with institutions participating in the Oregon Public Funds Collateralization Program. The PFCP is a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized, or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities. As of June 30, 2019, none of the City's bank balances were exposed to custodial credit risk as the balances are under FDIC insurance limits.

Investments

The State Treasurer of the State of Oregon maintains the Oregon Short-Term Fund, of which the Local Government Investment Pool is part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, the investment funds are invested as a prudent investor would do, exercising reasonable care, skill and caution. The Oregon Short-Term Fund is the LGIP for local governments and was established by the State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). At June 30, 2019, the fair value of the position in the Oregon State

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

Interest Rate Risk

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

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

CITY OF SCAPPOOSE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2019

CASH (continued)

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

Interest Rate Risk

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

Custodial Risk - Investments

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

CITY OF SCAPPOOSE, OREGON**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2019****CAPITAL ASSETS**

As a result of the use of the cash basis of accounting in this report, capital assets are not reported in the financial statements. The summary of capital assets for the business-type activities for the year ended June 30, 2019 are as follows:

	<i>Balances July 1, 2018</i>	<i>Additions</i>	<i>Retirements</i>	<i>Balances June 30, 2019</i>
NON-DEPRECIABLE				
Land	\$ 389,036	\$ -	\$ -	\$ 389,036
Construction in progress	-	-	-	\$ -
<i>Total Non-depreciable</i>	389,036	-	-	389,036
DEPRECIABLE				
Buildings and improvements	4,881,065	11,786	-	4,892,851
Equipment	2,128,272	396,851	-	2,525,123
Vehicles	733,664	-	-	733,664
Water and sewer systems	21,609,664	129,246	-	21,738,910
	29,352,665	537,884	-	29,890,549
ACCUMULATED DEPRECIATION				
Buildings and improvements	(3,090,348)	(121,815)	-	(3,212,163)
Equipment	(1,968,205)	(40,706)	-	(2,008,911)
Vehicles	(281,466)	(46,062)	-	(327,528)
Water and sewer systems	(8,616,132)	(475,466)	-	(9,091,598)
	(13,956,151)	(684,047)	-	(14,640,198)
<i>Business-type activities capital assets, net</i>	<u>\$ 15,785,550</u>	<u>\$ (146,164)</u>	<u>\$ -</u>	<u>\$ 15,639,386</u>

CITY OF SCAPPOOSE, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2019

CAPITAL ASSETS (Continued)

As a result of the use of the cash basis of accounting in this report, capital assets are not reported in the financial statements. The changes in the capital assets for governmental activities for the year ending June 30, 2019 are as follows:

	<i>Balances July 1, 2018</i>	<i>Additions</i>	<i>Retirements</i>	<i>Balances June 30, 2019</i>
NON-DEPRECIABLE				
Land	\$ 2,115,103	\$ -	\$ -	\$ 2,115,103
Construction in process	-	-	-	-
	<u>2,115,103</u>	<u>-</u>	<u>-</u>	<u>2,115,103</u>
DEPRECIABLE				
Buildings	3,620,121	319,815	-	3,939,936
Equipment	1,126,650	659,423	-	1,786,073
Vehicles	743,414	22,417	-	765,831
Infrastructure	63,766,914	2,091,629	-	65,858,543
	<u>69,257,099</u>	<u>3,093,285</u>	<u>-</u>	<u>72,350,384</u>
<i>Total depreciable</i>	69,257,099	3,093,285	-	72,350,384
ACCUMULATED DEPRECIATION				
Buildings	(1,635,995)	(104,839)	-	(1,740,834)
Equipment	(448,175)	(85,695)	-	(533,870)
Vehicles	(656,630)	(53,918)	-	(710,548)
Infrastructure	(47,072,320)	(1,592,524)	-	(48,664,844)
	<u>(49,813,120)</u>	<u>(1,836,975)</u>	<u>-</u>	<u>(51,650,095)</u>
<i>Total accumulated depreciation</i>	(49,813,120)	(1,836,975)	-	(51,650,095)
<i>Governmental activities capital assets, net</i>	<u>\$ 21,559,082</u>	<u>\$ 1,256,309</u>	<u>\$ -</u>	<u>\$ 22,815,391</u>

CITY OF SCAPPOOSE, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2019

LONG-TERM DEBT

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

	<i>Outstanding July 1, 2018</i>	<i>Issued</i>	<i>Matured/ Redeemed During Year</i>	<i>Outstanding June 30, 2019</i>	<i>Due Within One Year</i>	
Governmental Activities						
Crown Zellerbach Road	26,202	-	26,202	-	-	
US National Bank- Park Land	-	-	-	-	-	
	<u>26,202</u>	<u>-</u>	<u>26,202</u>	<u>-</u>	<u>-</u>	
Capital leases payable	90,154	-	40,203	49,951	40,203	
	<u>116,356</u>	<u>-</u>	<u>66,405</u>	<u>49,951</u>	<u>40,203</u>	
	<i>Outstanding July 1, 2018</i>	<i>Issued</i>	<i>Forgiven/ Discounted</i>	<i>Matured/ Redeemed During Year</i>	<i>Outstanding June 30, 2019</i>	<i>Due Within One Year</i>
Business-type Activities						
Water Treatment Plant GO Bonds	71,556	-	30,475	41,081	0	-
Water Line Safe Drinking Water Notes	773,778	-	-	52,964	720,814	54,913
Water Treatment Plant Water Notes	951,784	-	-	78,063	873,721	78,650
Storage Reservoir Safe Drinking Water Notes	2,464,475	-	-	133,157	2,331,318	134,488
Wastewater Plant Improvements DEQ Loan	220,515	-	-	17,642	202,873	17,642
Wastewater Line Relocation US Bank Loan	300,000	-	-	100,000	200,000	100,000
	<u>4,782,108</u>	<u>-</u>	<u>-</u>	<u>422,907</u>	<u>4,328,726</u>	<u>385,693</u>
Capital leases payable	222,108	-	-	71,027	151,081	71,026
	<u>5,004,216</u>	<u>-</u>	<u>-</u>	<u>493,934</u>	<u>4,479,807</u>	<u>456,719</u>

CITY OF SCAPPOOSE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2019

LONG-TERM DEBT (Continued)

Crown Zellerbach Road – On November 8, 2002, the City entered into a contract with the State of Oregon’s, Department of Transportation to construct a roadway with a traffic signal and a signalized railroad crossing for US 30 to West Lane to improve truck access on to Crown Zellerbach Road. The total estimate project cost of \$2,562,850 consisted of Oregon Transportation Investment (OTIA) grants \$1,782,850 and the City’s matching fund of \$780,000. To cover this matching amount the City made a loan agreement with the principal amount of \$625,000 (interest rate 4%) with Oregon Department of Transportation on August 28, 2003. We made the last payment on this loan this fiscal year, it is now paid in full.

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

Water Treatment Plant Phase 1 & 2 and Safe Drinking Water Project Notes – On December 4, 2002, the City entered into a contract with Oregon Economic and Community Development Department (OECDD) for water system improvement projects phase 1 & 2. Total estimated costs for both projects are \$6,974,000 which consists of water grants \$500,000, a water loan \$1,814,000 (interest rate 4.4%), a Safe Drinking water revolving loan \$4,000,000 (interest 1%), including a forgivable note of \$250,000 and the City’s matching funds of \$660,000. The loans mature in 2028 and 2034.

Dutch Canyon Waterline Notes is at 3.68% interest. This project was contingent and part of the financing of the Water Treatment Plant Phase 1 & 2. Upon completion of the Water Treatment Plant Phase 1 & 2 project the Dutch Canyon water line was constructed. The original loan amount was \$1,274,143 and the loan matures in 2029.

Wastewater Treatment Plant Improvements Clean Water DEQ Bond – The City entered into a contract in 2010 for the purpose of construction pump and filter upgrades for the Waste Water Treatment Plant and Springlake Park Pump Station. The loan amount is \$705,660, and the interest rate is 0%. The loan has a provision of 50% loan forgiveness referred to as the “ARRA Forgivable Loan” if the project is completed in compliance and there is no default of terms. The loan matures in 2031.

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

CITY OF SCAPPOOSE, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2019

LONG-TERM DEBT (Continued)

Future debt service requirements are as follows:

Business-type Activities Fiscal Year Ending June 30,	Principal	Interest	Total
2020	385,693	94,886	480,579
2021	394,687	85,432	480,119
2022	303,811	76,783	380,594
2023	308,065	68,966	377,031
2024-2028	1,673,768	218,439	1,892,207
2029-2033	941,638	46,751	988,389
2034-2037	321,065	4,978	326,043
	\$ 4,328,727	\$ 596,235	\$ 4,924,962

CAPITAL LEASES

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

CAPITAL LEASES

Year Ending June 30,	Principal	Interest	Total
2020	72,793	11,067	83,860
2021	62,413	7,015	69,428
2022	65,827	3,601	69,428
	201,033	21,683	222,716

OPERATING LEASES

On November 12, 2007, the City entered into a 5-year lease agreement with Brian Rosenthal to rent office space at 52610 NE 1st Street, Units 120 and 130 in Scappoose, Oregon. In January of 2013 the City signed an extension of the lease agreement for an additional 5-years. On March 8, 2017 the City signed an additional extension of the lease agreement for an additional 5-years commencing on 11/1/2017. For the fiscal year ended June 30, 2019, rent expense was \$33,300.

CITY OF SCAPPOOSE, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2019

OPERATING LEASES (Continued)

OPERATING LEASE

Year Ending June 30,	Space 120/130	Total
2020	33,300	33,300
2021	33,300	33,300
2022	33,300	33,300
	<u>99,900</u>	<u>-</u>
	<u>99,900</u>	<u>99,900</u>

PENSION PLAN

Plan Description

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

Benefits Provided

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

Pension Benefits

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

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

PENSION PLAN (Continued)

Death Benefits

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

- the member was employed by a PERS employer at the time of death,
- the member died within 120 days after termination of PERS-covered employment,
- the member died as a result of injury sustained while employed in a PERS-covered job, or
- the member was on an official leave of absence from a PERS-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 PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

Benefit Changes

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

2. OPSRP Pension Program (OPSRP DB)

Pension Benefits

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

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

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

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

CITY OF SCAPPOOSE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2019

PENSION PLAN (Continued)

Death Benefits

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

Disability Benefits

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

Benefit Changes after Retirement

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

3. OPSRP Individual Account Program (OPSRP IAP)

Pension Benefits

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

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

Death Benefits

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

Recordkeeping

OPERS contracts with VOYA Financial to maintain IAP participant records.

Contributions

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

CITY OF SCAPPOOSE, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2019

PENSION PLAN (Continued)

benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2016 actuarial valuation as subsequently modified by 2015 legislated changes in benefit provisions. The rates based on a percentage of payroll, first became effective July 1, 2015. Employer contributions for the year ended June 30, 2019 were \$591,500, excluding amounts to fund employer specific liabilities. The employer contribution rates are updated every two years. The City’s PERS contribution rates for the year ended June 30, 2019 and the rates for the new year are shown below:

Rate Category	FY 17-18 Net Rate	FY 18-19 Net Rate
Tier 1 / Tier 2	22.43%	22.43%
OPSRP General	14.32%	14.32%
OPSRP Police and Fire	19.09%	19.09%

The City’s contributions to PERS for the fiscal years ending June 30, 2015, 2016, 2017 and 2018.

Year Ended June 30	Annual Pension Costs (APC)	Percentage of APC Contributed
2016	\$ 436,244	100%
2017	\$ 478,985	100%
2018	\$ 570,913	100%
2019	\$ 591,500	100%

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

Plan Description

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

To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in 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. A surviving spouse or dependent of a deceased PERS 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 PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

CITY OF SCAPPOOSE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2019

PENSION PLAN (Continued)

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

Funding Policy

Participating employers are contractually required to contribute at a rate assessed bi-annually by the OPERB, currently 0.50% of annual covered PERS payroll and 0.45% for OPSRP payroll. The OPERB sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that,

if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years.

5. Other Post-Employment Benefits (OPEB) EBS

EBS Health Insurance Subsidy

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

Plan Description

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

Funding Policy

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

CITY OF SCAPPOOSE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2019

INTERFUND TRANSFERS

	<u>Transfer in</u>	<u>Transfer from</u>
General Fund	\$ 383,034	153,200
Building Fund	-	28,256
Street SDC Fund	-	4,577
Pool Fund	458,660	-
Street Fund	-	58,179
Parks SDC Fund	-	459,495
Watts House Fund	20,000	-
Water Fund	-	136,306
Water SDC Fund	95,444	2,347
Wastewater Fund	-	110,279
Wastewater SDC Fund	-	2,077
Storm Drain SDC Fund	-	2,422
	<u>\$ 957,138</u>	<u>\$ 957,138</u>

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

CONTINGENCIES

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

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

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

SUPPLEMENTAL INFORMATION

CITY OF SCAPPOOSE, OREGON
RECONCILIATION OF BUDGETARY TO REPORTING FUNDS
BALANCE SHEET (CASH BASIS) – GENERAL FUND
YEAR ENDED JUNE 30, 2019

	<i>Budgetary funds</i>			<i>Total (reported as General Fund)</i>
	<i>General</i>	<i>Unemployment</i>	<i>Watts House</i>	
ASSETS				
Cash and cash equivalents	\$ 3,829,341	\$ 61,967	\$ 48,969	\$ 3,940,277
Fund Balances				
Committed for:				
For customer deposits	249,794			
Unemployment	-	61,967		61,967
Unassigned:	3,579,547		48,969	3,628,516
<i>Total Fund Balances</i>	<u>3,829,341</u>	<u>61,967</u>	<u>48,969</u>	<u>3,940,277</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 3,829,341</u>	<u>\$ 61,967</u>	<u>\$ 48,969</u>	<u>\$ 3,940,277</u>

CITY OF SCAPPOOSE, OREGON
RECONCILIATION OF BUDGETARY TO REPORTING FUNDS
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE-
(CASH BASIS) GENERAL FUND
YEAR ENDED JUNE 30, 2019

	<i>Budgetary funds</i>			<i>Total</i>
	<i>General</i>	<i>Unemployment</i>	<i>Watts House</i>	<i>(reported as General Fund)</i>
CASH RECEIPTS				
Taxes and assessments	\$ 2,177,639			\$ 2,177,639
Licenses and permits	502,832			502,832
Charges for services	273,159			273,159
Intergovernmental	653,075		-	653,075
Miscellaneous	112,915	1,737	1,360	116,012
<i>Total Receipts</i>	3,969,414	1,737	1,360	3,972,511
DISBURSEMENTS				
General government	607,629	11,856	4,796	624,281
Court and police	1,747,839			1,747,839
Community services & development	216,827			216,827
Culture and recreation	296,443			296,443
Capital outlay	667,994		14,834	682,828
Debt service	45,736			45,736
<i>Total Disbursements</i>	3,582,468	11,856	19,630	3,613,954
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	386,946	(10,119)	(18,270)	358,557
OTHER FINANCING SOURCES (USES)				
Transfers in	383,034	-	20,000	403,034
Transfers out	(153,200)	-	-	(153,200)
<i>Total Other Financing Sources (Uses)</i>	229,834	-	20,000	249,834
NET CHANGE IN FUND BALANCES	616,780	(10,119)	1,730	608,391
FUND BALANCES, Beginning of year	3,212,561	72,086	47,239	3,331,886
FUND BALANCES, End of year	\$ 3,829,341	\$ 61,967	\$ 48,969	\$ 3,940,277

CITY OF SCAPPOOSE, OREGON
COMBINING BALANCE SHEET (CASH BASIS) -
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

Special Revenue

	<u>Building</u>	<u>Peg Fee</u>	<u>Law Enforcement</u>	<u>Recreation Reserve</u>	<u>Bike Trails</u>	<u>Parks SDC</u>	<u>Totals</u>
ASSETS							
Cash and cash equivalents	\$ 297,072	92,950	28,254	726,685	44,362	135,081	\$ 1,324,404
FUND BALANCES							
Restricted for							
Capital Projects					44,362	135,082	179,444
Committed for							-
Capital Projects				726,685			726,685
Special Revenue	297,072	92,950	28,253				418,275
<i>Total Fund Balances</i>	\$ 297,072	\$ 92,950	\$ 28,253	\$ 726,685	\$ 44,362	\$ 135,082	\$ 1,324,404

CITY OF SCAPPOOSE, OREGON
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES
(CASH BASIS) - NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	Special Revenue						Totals
	Building	PEG Fee	Law Enforcement	Recreation Reserve	Foot Paths & Bicycle Trails	Parks SDC	
RECEIPTS							
Licenses and permits	\$ 99,381	-	-	-	-	22,952	\$ 122,333
Charges for services	-	10,239	13,895	-	-	-	24,134
Intergovernmental	-	-	-	-	5,123	-	5,123
Miscellaneous	10,117	2,423	808	10,666	1,186	12,330	37,530
<i>Total Receipts</i>	109,498	12,662	14,703	10,666	6,309	35,282	189,120
DISBURSEMENTS							
Current operating	-	-	-	-	-	-	-
General government	220,013	-	-	-	-	-	220,013
Highways and streets	-	-	6,702	-	-	-	6,702
Culture and recreation	-	24,092	-	-	-	-	24,092
Capital outlay	-	-	12,994	-	-	302,500	315,494
Debt service	-	-	-	-	-	-	-
<i>Total Disbursements</i>	220,013	24,092	19,696	-	-	302,500	566,301
RECEIPTS OVER (UNDER) DISBURSEMENTS	(110,515)	(11,430)	(4,993)	10,666	6,309	(267,218)	(377,181)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	458,660	-	-	458,660
Transfers out	(28,256)	-	-	-	-	(459,495)	(487,751)
<i>Total Other Financing Sources (Uses)</i>	(28,256)	-	-	458,660	-	(459,495)	(29,091)
NET CHANGE IN FUND BALANCES	(138,771)	(11,430)	(4,993)	469,326	6,309	(726,713)	(406,272)
FUND BALANCES, Beginning of year	435,843	104,380	33,247	257,359	38,053	861,794	1,730,676
FUND BALANCES, End of year	\$ 297,072	\$ 92,950	\$ 28,254	\$ 726,685	\$ 44,362	\$ 135,081	\$ 1,324,404

CITY OF SCAPPOOSE, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE

(CASH BASIS) - BUDGET AND ACTUAL - GENERAL FUND

YEAR ENDED JUNE 30, 2019

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Taxes and assessments	\$ 2,168,584	2,168,584	\$ 2,177,639	\$ 9,055
Licenses and permits	494,240	494,240	502,832	8,592
Charges for services	499,820	499,820	273,159	(226,661)
Intergovernmental	754,598	754,598	653,075	(101,523)
Miscellaneous	55,000	55,000	112,915	57,915
For customer deposits			249,794	
Total Receipts	3,972,242	3,972,242	3,969,414	(252,622)
DISBURSEMENTS				
General government	1,175,184	1,175,184	607,629	567,555
Police and court	2,331,015	2,331,015	1,747,839	583,176
Culture and recreation	369,226	369,226	296,443	72,783
Community development	288,005	288,005	216,827	71,178
Capital outlay	920,924	920,924	667,994	252,930
Debt service	45,736	45,736	45,736	-
Contingency	670,914	670,914	-	670,914
Total Disbursements	5,801,004	5,801,004	3,582,468	2,218,536
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,828,762)	(1,828,762)	386,946	2,215,708
OTHER FINANCING SOURCES (USES)				
Transfer in	383,035	383,035	383,034	(1)
Transfers out	(153,200)	(153,200)	(153,200)	-
Total Other Financing Sources (Uses)	229,835	229,835	229,834	(1)
NET CHANGE IN FUND BALANCE	(1,598,927)	(1,598,927)	616,780	2,215,707
FUND BALANCE, Beginning of year	2,898,927	2,898,927	3,212,561	313,634
FUND BALANCE, End of year	\$ 1,300,000	1,300,000	\$ 3,829,341	\$ 2,529,341

CITY OF SCAPPOOSE, OREGON**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES****(CASH BASIS) - BUDGET AND ACTUAL – UNEMPLOYMENT FUND****YEAR ENDED JUNE 30, 2019**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Miscellaneous	\$ 1,100	1,100	\$ 1,737	637
<i>Total Receipts</i>	1,100	1,100	1,737	637
DISBURSEMENTS				
Materials and services	35,500	35,500	11,856	23,644
Contingency	37,589	37,589	-	37,589
<i>Total Disbursements</i>	73,089	73,089	11,856	61,233
RECEIPTS OVER (UNDER) DISBURSEMENTS	(71,989)	(71,989)	(10,119)	61,870
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
<i>Total Other Financing Sources (Uses)</i>	-	-	-	-
NET CHANGE IN FUND BALANCE	(71,989)	(71,989)	(10,119)	61,870
FUND BALANCE, Beginning of year	71,989	71,989	72,086	97
FUND BALANCE, End of year	\$ -	\$ -	\$ 61,967	\$ 61,967

CITY OF SCAPPOOSE, OREGON**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE****(CASH BASIS) - BUDGET AND ACTUAL – WATTS HOUSE FUND****YEAR ENDED JUNE 30, 2019**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Intergovernmental	\$ 20,000	20,000	\$	(20,000)
Miscellaneous	200	200	1,360	1,160
<i>Total Receipts</i>	20,200	20,200	1,360	(18,840)
DISBURSEMENTS				
Materials and services	9,880	9,880	4,796	5,084
Capital outlay	50,000	50,000	14,834	35,166
Contingency	7,105	7,105	-	7,105
<i>Total Disbursements</i>	66,985	66,985	19,630	47,355
RECEIPTS OVER (UNDER) DISBURSEMENTS	(46,785)	(46,785)	(18,270)	28,515
OTHER FINANCING SOURCES (USES)				
Transfers in	20,000	20,000	20,000	-
<i>Total Other Financing Sources (Uses)</i>	20,000	20,000	20,000	-
NET CHANGE IN FUND BALANCE	(26,785)	(26,785)	1,730	28,515
FUND BALANCE, Beginning of year	43,749	43,749	47,239	3,490
FUND BALANCE, End of year	\$ 16,964	\$ 16,964	\$ 48,969	\$ 32,005

CITY OF SCAPPOOSE, OREGON**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES****(CASH BASIS)- BUDGET AND ACTUAL - STREET FUND****YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 3,542,289	3,542,289	\$ 1,658,655	(1,883,634)
Licenses and permits	40,000	40,000	106,871	66,871
Miscellaneous	5,400	5,400	21,851	16,451
<i>Total Receipts</i>	<u>3,587,689</u>	<u>3,587,689</u>	<u>1,787,377</u>	<u>(1,800,312)</u>
DISBURSEMENTS				
Personal services	229,997	229,997	211,468	18,529
Materials and services	252,713	252,713	114,271	138,442
Capital outlay	3,123,972	3,123,972	2,094,962	1,029,010
Debt service	-	-	-	-
Contingency	27,881	27,881	-	27,881
<i>Total Disbursements</i>	<u>3,634,563</u>	<u>3,634,563</u>	<u>2,420,701</u>	<u>1,213,862</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(46,874)	(46,874)	(633,324)	(586,450)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(58,179)	(58,179)	(58,179)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(58,179)</u>	<u>(58,179)</u>	<u>(58,179)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(105,053)	(105,053)	(691,503)	(586,450)
FUND BALANCE, Beginning of year	<u>105,053</u>	<u>105,053</u>	<u>1,311,867</u>	<u>1,206,814</u>
FUND BALANCE, End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 620,364</u>	<u>\$ 620,364</u>

CITY OF SCAPPOOSE, OREGON**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES****(CASH BASIS) - BUDGET AND ACTUAL – STREET SDC FUND****YEAR ENDED JUNE 30, 2019**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Licenses and permits	\$ 91,539	91,539	\$ 32,740	(58,799)
Miscellaneous	13,500	13,500	22,887	9,387
<i>Total Receipts</i>	105,039	105,039	55,627	(49,412)
DISBURSEMENTS				
Capital outlay	750,000	750,000	-	750,000
Debt service	27,250	27,250	27,078	172
Contingency	211,440	211,440	-	211,440
<i>Total Disbursements</i>	988,690	988,690	27,078	961,612
RECEIPTS OVER (UNDER) DISBURSEMENTS	(883,651)	(883,651)	28,549	912,200
OTHER FINANCING SOURCES (USES)				
Transfers out	(4,577)	(4,577)	(4,577)	-
<i>Total Other Financing Sources (Uses)</i>	(4,577)	(4,577)	(4,577)	-
NET CHANGE IN FUND BALANCE	(888,228)	(888,228)	23,972	912,200
FUND BALANCE, Beginning of year	888,228	888,228	897,520	9,292
FUND BALANCE, End of year	\$ -	\$ -	\$ 921,492	\$ 921,492

CITY OF SCAPPOOSE, OREGON
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES
(CASH BASIS) - BUDGET AND ACTUAL – BUILDING FUND
YEAR ENDED JUNE 30, 2019

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Licenses and permits	\$ 140,000	140,000	\$ 99,381	(40,619)
Miscellaneous	16,900	16,900	10,117	(6,783)
<i>Total Receipts</i>	<u>156,900</u>	<u>156,900</u>	<u>109,498</u>	<u>(47,402)</u>
DISBURSEMENTS				
Personal services	210,224	210,224	195,987	14,237
Materials and services	80,232	80,232	24,026	56,206
Capital outlay	-	-	-	-
Contingency	183,397	183,397	-	183,397
<i>Total Disbursements</i>	<u>473,853</u>	<u>473,853</u>	<u>220,013</u>	<u>253,840</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(316,953)	(316,953)	(110,515)	206,438
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(28,256)	(28,256)	(28,256)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(28,256)</u>	<u>(28,256)</u>	<u>(28,256)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(345,209)	(345,209)	(138,771)	206,438
FUND BALANCE, Beginning of year	<u>345,209</u>	<u>345,209</u>	<u>435,843</u>	<u>90,634</u>
FUND BALANCE, End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 297,072</u>	<u>\$ 297,072</u>

CITY OF SCAPPOOSE, OREGON
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES
(CASH BASIS) - BUDGET AND ACTUAL – PEG FEE FUND
YEAR ENDED JUNE 30, 2019

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Charges for services	\$ 9,600	9,600	\$ 10,239	639
Miscellaneous	1,200	1,200	2,423	1,223
<i>Total Receipts</i>	10,800	10,800	12,662	1,862
DISBURSEMENTS				
Materials and services	35,200	35,200	24,092	11,108
Capital outlay	-	-	-	-
Contingency	77,465	77,465	-	77,465
<i>Total Disbursements</i>	112,665	112,665	24,092	88,573
RECEIPTS OVER (UNDER) DISBURSEMENTS	(101,865)	(101,865)	(11,430)	90,435
NET CHANGE IN FUND BALANCE	(101,865)	(101,865)	(11,430)	90,435
FUND BALANCE, Beginning of year	101,865	101,865	104,380	2,515
FUND BALANCE, End of year	\$ -	\$ -	\$ 92,950	\$ 92,950

CITY OF SCAPPOOSE, OREGON
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES
(CASH BASIS) - BUDGET AND ACTUAL – LAW ENFORCEMENT FUND
YEAR ENDED JUNE 30, 2019

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Charges for services	\$ 15,000	15,000	\$ 13,895	(1,105)
Miscellaneous	550	550	808	258
<i>Total Receipts</i>	15,550	15,550	14,703	(847)
DISBURSEMENTS				
Materials and services	10,000	10,000	6,702	3,298
Capital outlay	15,000	15,000	12,994	2,006
Debt service	-	-	-	-
Contingency	9,885	9,885	-	9,885
<i>Total Disbursements</i>	34,885	34,885	19,696	15,189
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(19,335)	(19,335)	(4,993)	14,342
NET CHANGE IN FUND BALANCE	(19,335)	(19,335)	(4,993)	14,342
FUND BALANCE, Beginning of year	19,335	19,335	33,247	13,912
FUND BALANCE, End of year	\$ -	\$ -	\$ 28,254	\$ 28,254

CITY OF SCAPPOOSE, OREGON
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES
(CASH BASIS) - BUDGET AND ACTUAL – RECREATION RESERVE FUND
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		
RECEIPTS				
Intergovernmental		-	-	
Miscellaneous	\$ 5,300	5,300	\$ 10,666	5,366
<i>Total Receipts</i>	5,300	5,300	10,666	5,366
DISBURSEMENTS				
Materials and services	-	-	-	-
Capital outlay	-	-	-	-
Debt service	62,430	62,430	-	62,430
Contingency	694,449	694,449	-	694,449
<i>Total Disbursements</i>	756,879	756,879	-	756,879
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(751,579)	(751,579)	10,666	762,245
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	458,660	
Transfers out				
<i>Total Other Financing Sources (Uses)</i>	-	-	458,660	756,879
NET CHANGE IN FUND BALANCE	(751,579)	(751,579)	469,326	762,245
FUND BALANCE, Beginning of year	751,579	751,579	257,359	(494,220)
FUND BALANCE, End of year	\$ -	\$ -	\$ 726,685	\$ 268,025

CITY OF SCAPPOOSE, OREGON
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES
(CASH BASIS) - BUDGET AND ACTUAL – FOOT PATH & BIKE TRAILS FUND
YEAR ENDED JUNE 30, 2019

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Intergovernmental	\$ 4,983	4,983	\$ 5,123	140
Miscellaneous	575	575	1,186	611
<i>Total Receipts</i>	5,558	5,558	6,309	751
DISBURSEMENTS				
Materials and services	3,000	3,000	-	3,000
Capital outlay	36,000	36,000	-	36,000
Contingency	4,441	4,441	-	4,441
<i>Total Disbursements</i>	43,441	43,441	-	43,441
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(37,883)	(37,883)	6,309	44,192
NET CHANGE IN FUND BALANCE	(37,883)	(37,883)	6,309	44,192
FUND BALANCE, Beginning of year	37,883	37,883	38,053	170
FUND BALANCE, End of year	\$ -	\$ -	\$ 44,362	\$ 44,362

CITY OF SCAPPOOSE, OREGON
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES
(CASH BASIS) - BUDGET AND ACTUAL – PARKS SDC FUND
YEAR ENDED JUNE 30, 2019

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Licenses and permits	\$ 16,692	16,692	\$ 22,952	6,260
Intergovernmental		458,660	-	(458,660)
Miscellaneous	5,200	5,200	12,330	7,130
<i>Total Receipts</i>	21,892	480,552	35,282	(445,270)
DISBURSEMENTS				
Capital outlay	314,400	314,400	302,500	11,900
Debt service	41,715	41,715	-	41,715
Contingency	68,596	68,596	-	68,596
<i>Total Disbursements</i>	424,711	424,711	302,500	122,211
RECEIPTS OVER (UNDER) DISBURSEMENTS	(402,819)	55,841	(267,218)	(323,059)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(835)	(459,495)	(459,495)	(0)
<i>Total Other Financing Sources (Uses)</i>	(835)	(459,495)	(459,495)	(0)
NET CHANGE IN FUND BALANCE	(403,654)	(403,654)	(726,713)	(323,059)
FUND BALANCE, Beginning of year	403,654	403,654	861,794	458,140
FUND BALANCE, End of year	\$ -	\$ -	\$ 135,081	\$ 135,081

CITY OF SCAPPOOSE, OREGON
COMBINING STATEMENT OF NET POSITION (CASH BASIS) -
NONMAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2019

	<u>Storm Drain</u>	<u>Storm Drain SDC</u>	<u>Water SDC</u>	<u>G.O. Water-Sewer</u>	<u>Totals</u>
ASSETS					
Cash and cash equivalents	\$ 175,613	551,947	493,249	23,956	\$ 1,244,765
NET POSITION:					
Restricted	175,613	551,947	493,249	23,956	1,244,766
<i>Total net position</i>	<u>\$ 175,613</u>	<u>\$ 551,947</u>	<u>\$ 493,249</u>	<u>\$ 23,956</u>	<u>\$ 1,244,766</u>

CITY OF SCAPPOOSE, OREGON

COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN NET POSITION

(CASH BASIS) - NONMAJOR PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2019

	<u>Storm Drain</u>	<u>Storm Drain SDC</u>	<u>Water SDC</u>	<u>G.O. Water-Sewer</u>	<u>Totals</u>
OPERATING RECEIPTS					
Taxes and assessments	\$ -	\$ -	\$ -	\$ 46,197	\$ 46,197
Licenses and permits	5,883	6,920	62,579	-	75,382
Charges for services	185,648	-	-	-	185,648
Intergovernmental	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Miscellaneous	4,115	13,694	12,382	600	30,791
<i>Total Operating Receipts</i>	195,646	20,614	74,961	46,797	338,018
OPERATING DISBURSEMENTS					
Personal services	70,247	-	-	-	70,247
Materials and services	32,919	-	-	-	32,919
Capital outlay	11,786	-	-	-	11,786
<i>Total Operating Disbursements</i>	114,952	-	-	-	114,952
OPERATING RECEIPTS OVER (UNDER)					
OPERATING DISBURSEMENTS	80,694	20,614	74,961	46,797	223,066
NON OPERATING REVENUES (DISBURSEMENTS)					
Debt proceeds	-	-	-	-	-
Debt service					
Principal	-	-	211,220	41,081	252,301
Interest	-	-	69,499	2,909	72,408
<i>Total Non Operating Revenues (Disbursements)</i>	-	-	280,719	43,990	324,709
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS					
Transfers in	-	-	95,444	-	95,444
Transfers out	-	(2,422)	(2,347)	-	(4,769)
CHANGE IN NET POSITION	80,694	18,192	(112,661)	2,807	(10,968)
NET POSITION, Beginning of the year	94,919	533,755	605,910	21,149	1,255,734
NET POSITION, End of the year	\$ 175,613	\$ 551,947	\$ 493,249	\$ 23,956	\$ 1,244,766

CITY OF SCAPPOOSE, OREGON
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES
(CASH BASIS) - BUDGET AND ACTUAL – STORM DRAINAGE FUND
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		
RECEIPTS				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	\$ -	-	\$ 5,883	5,883
Charges for services	185,318	185,318	185,648	330
Intergovernmental	12,000	12,000	-	(12,000)
Fines and forfeitures	-	-	-	-
Miscellaneous	4,300	4,300	4,115	(185)
<i>Total Receipts</i>	201,618	201,618	195,646	(5,972)
DISBURSEMENTS				
Personal services	77,328	77,328	70,247	7,081
Materials and services	107,350	95,564	32,919	62,645
Capital outlay	-	11,786	11,786	-
Debt service	-	-	-	-
Contingency	89,663	89,663	-	89,663
<i>Total Disbursements</i>	274,341	274,341	114,952	159,389
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(72,723)	(72,723)	80,694	153,417
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total Other Financing Sources (Uses)</i>	-	-	-	-
NET CHANGE IN FUND BALANCE	(72,723)	(72,723)	80,694	153,417
FUND BALANCE,				
<i>Beginning of year</i>	72,723	72,723	94,919	22,196
FUND BALANCE,				
<i>End of year</i>	\$ -	\$ -	\$ 175,613	\$ 175,613

CITY OF SCAPPOOSE, OREGON
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES
(CASH BASIS) - BUDGET AND ACTUAL – STORM DRAINAGE SDC FUND
YEAR ENDED JUNE 30, 2019

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Licenses and permits	\$ 48,442	48,442	\$ 6,920	(41,522)
Miscellaneous	7,500	7,500	13,694	6,194
<i>Total Receipts</i>	55,942	55,942	20,614	(35,328)
DISBURSEMENTS				
Capital outlay	212,000	212,000	-	212,000
Contingency	372,520	372,520	-	372,520
<i>Total Disbursements</i>	584,520	584,520	-	584,520
RECEIPTS OVER (UNDER) DISBURSEMENTS	(528,578)	(528,578)	20,614	549,192
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,422)	(2,422)	(2,422)	-
<i>Total Other Financing Sources (Uses)</i>	(2,422)	(2,422)	(2,422)	-
NET CHANGE IN FUND BALANCE	(531,000)	(531,000)	18,192	549,192
FUND BALANCE, Beginning of year	531,000	531,000	533,755	2,755
FUND BALANCE, End of year	\$ -	\$ -	\$ 551,947	\$ 551,947

CITY OF SCAPPOOSE, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES

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

YEAR ENDED JUNE 30, 2019

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Licenses and permits	\$ 46,934	46,934	\$ 62,579	15,645
Miscellaneous	8,800	8,800	12,382	3,582
	<u>55,734</u>	<u>55,734</u>	<u>74,961</u>	<u>19,227</u>
<i>Total Receipts</i>				
DISBURSEMENTS				
Capital outlay	112,000	112,000	-	112,000
Debt service	280,719	280,719	280,719	-
Contingency	356,107	356,107	-	356,107
	<u>748,826</u>	<u>748,826</u>	<u>280,719</u>	<u>468,107</u>
<i>Total Disbursements</i>				
RECEIPTS OVER (UNDER)	(693,092)	(693,092)	(205,758)	487,334
DISBURSEMENTS				
OTHER FINANCING SOURCES (USES)				
Transfers in	95,444	95,444	95,444	-
Transfers out	(2,347)	(2,347)	(2,347)	-
	<u>93,097</u>	<u>93,097</u>	<u>93,097</u>	<u>-</u>
<i>Total Other Financing Sources (Uses)</i>				
NET CHANGE IN FUND BALANCE	(599,995)	(599,995)	(112,661)	487,334
FUND BALANCE,				
<i>Beginning of year</i>	599,995	599,995	605,910	5,915
FUND BALANCE,				
<i>End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 493,249</u>	<u>\$ 493,249</u>

CITY OF SCAPPOOSE, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES

(CASH BASIS) - BUDGET AND ACTUAL - GO WATER- WASTEWATER BOND FUND

YEAR ENDED JUNE 30, 2019

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Taxes and assessments	\$ 50,111	50,111	\$ 46,197	(3,914)
Miscellaneous	150	150	600	450
<i>Total Receipts</i>	50,261	50,261	46,797	(3,464)
DISBURSEMENTS				
Debt service	50,837	50,837	43,990	6,847
Contingency	541	541	-	541
<i>Total Disbursements</i>	51,378	51,378	43,990	7,388
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,117)	(1,117)	2,807	3,924
OTHER FINANCING SOURCES (USES)				
NET CHANGE IN FUND BALANCE	(1,117)	(1,117)	2,807	3,924
FUND BALANCE, Beginning of year	21,117	21,117	21,149	32
FUND BALANCE, End of year	\$ 20,000	\$ 20,000	\$ 23,956	3,956

CITY OF SCAPPOOSE, OREGON
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES
(CASH BASIS) - BUDGET AND ACTUAL - WATER FUND
YEAR ENDED JUNE 30, 2019

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Taxes and assessments	\$		\$	
Licenses and permits	\$ 41,500	41,500	\$ 120,031	78,531
Charges for services	2,140,710	2,140,710	2,121,220	(19,490)
Intergovernmental	-	-		-
Fines and forfeitures				-
Miscellaneous	149,500	149,500	132,743	(16,757)
Customer water security deposits			2,925	2,925
<i>Total Receipts</i>	<u>2,331,710</u>	<u>2,331,710</u>	<u>2,376,919</u>	<u>45,209</u>
DISBURSEMENTS				
Personal services	824,002	824,002	749,748	74,254
Materials and services	642,502	639,648	323,347	316,301
Capital outlay	1,220,000	1,220,000	328,120	891,880
Debt service	161,113	163,967	163,967	-
Contingency	679,455	679,455	-	679,455
<i>Total Disbursements</i>	<u>3,527,072</u>	<u>3,527,072</u>	<u>1,565,182</u>	<u>1,961,890</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,195,362)	(1,195,362)	811,737	2,007,099
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	
Transfers out	(136,306)	(136,306)	(136,306)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(136,306)</u>	<u>(136,306)</u>	<u>(136,306)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(1,331,668)	(1,331,668)	675,431	2,007,099
FUND BALANCE, Beginning of year	<u>2,531,668</u>	<u>2,531,668</u>	<u>2,734,412</u>	<u>202,744</u>
FUND BALANCE, End of year	<u>\$ 1,200,000</u>	<u>\$ 1,200,000</u>	<u>\$ 3,409,843</u>	<u>\$ 2,209,843</u>

CITY OF SCAPPOOSE, OREGON
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES
(CASH BASIS) - BUDGET AND ACTUAL – WASTEWATER FUND
YEAR ENDED JUNE 30, 2019

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	\$ 40,000	40,000	\$ 118,704	78,704
Charges for services	1,989,846	1,989,846	1,871,299	(118,547)
Intergovernmental	1,190,000	1,190,000	-	(1,190,000)
Fines and forfeitures				-
Miscellaneous	13,000	13,000	31,891	18,891
<i>Total Receipts</i>	3,232,846	3,232,846	2,021,894	(1,210,952)
DISBURSEMENTS				
Personal services	830,762	830,762	758,896	71,866
Materials and services	601,654	601,654	405,691	195,963
Capital outlay	1,417,500	1,417,500	157,819	1,259,681
Debt service	223,817	223,817	123,816	100,001
Contingency	423,654	423,654	-	423,654
<i>Total Disbursements</i>	3,497,387	3,497,387	1,446,222	2,051,165
RECEIPTS OVER (UNDER) DISBURSEMENTS	(264,541)	(264,541)	575,672	840,213
OTHER FINANCING SOURCES (USES)				
Transfers out	(110,279)	(110,279)	(110,279)	-
<i>Total Other Financing Sources (Uses)</i>	(110,279)	(110,279)	(110,279)	-
NET CHANGE IN FUND BALANCE	(374,820)	(374,820)	465,393	840,213
FUND BALANCE, Beginning of year	874,820	874,820	990,302	115,482
FUND BALANCE, End of year	\$ 500,000	\$ 500,000	\$ 1,455,695	\$ 955,695

CITY OF SCAPPOOSE, OREGON
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES
(CASH BASIS) - BUDGET AND ACTUAL – WASTEWATER SDC FUND
YEAR ENDED JUNE 30, 2019

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Licenses and permits	\$ 41,545	41,545	\$ 50,776	9,231
Miscellaneous	16,000	16,000	26,119	10,119
<i>Total Receipts</i>	57,545	57,545	76,895	19,350
DISBURSEMENTS				
Capital outlay	118,500	118,500	40,159	78,341
Contingency	935,443	935,443	-	935,443
<i>Total Disbursements</i>	1,053,943	1,053,943	40,159	1,013,784
RECEIPTS OVER (UNDER) DISBURSEMENTS	(996,398)	(996,398)	36,736	1,033,134
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,077)	(2,077)	(2,077)	-
<i>Total Other Financing Sources (Uses)</i>	(2,077)	(2,077)	(2,077)	-
NET CHANGE IN FUND BALANCE	(998,475)	(998,475)	34,659	1,033,134
FUND BALANCE, Beginning of year	998,475	998,475	1,017,487	19,012
FUND BALANCE, End of year	\$ -	\$ -	\$ 1,052,146	\$ 1,052,146

OTHER SCHEDULES

CITY OF SCAPPOOSE, OREGON
OTHER SCHEDULES-SCHEDULE OF PROPERTY TAX TRANSACTIONS (CASH BASIS)
YEAR ENDED JUNE 30, 2019

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS (PRINCIPAL)

	<i>Interest Rates</i>	<i>Date of Issue</i>	<i>Fiscal Year of Maturity</i>	<i>Outstanding July 1, 2018</i>	<i>New Issued</i>	<i>Redeemed/ Refinanced</i>	<i>Principal Paid</i>	<i>Outstanding June 30, 2019</i>
PRINCIPAL TRANSACTIONS								
General Obligations								
Crown Zellerbach Road	4.00%	2002	2019	26,202	-	-	26,202	-
Enterprise Obligations								
Airpark Line Notes Payable	4.74%	1998	2018	-	-	-	-	-
Water Treatment Plant GO Bonds	5.00%	1979	2020	71,556	-	30,475	41,081	-
Safe Drinking Water Line Notes	3.68%	2010	2031	773,778	-	-	52,964	720,814
Water Treatment Plant Notes	4.43%	2002	2028	951,784	-	-	78,063	873,721
Safe Drinking Water Reservoir Notes	1.00%	2004	2034	2,464,475	-	-	133,157	2,331,318
Wastewater Plant Improvements DEQ Loan	0.00%	2011	2031	220,515	-	-	17,642	202,873
Wastewater Line Relocation US Bank Loan	2.47%	2014	2020	300,000	-	-	100,000	200,000
				<u>\$ 4,808,310</u>	<u>\$ -</u>	<u>\$ 30,475</u>	<u>\$ 449,109</u>	<u>\$ 4,328,726</u>

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS (INTEREST)

	<i>Interest Rates</i>	<i>Date of Issue</i>	<i>Unmatured Interest July 1, 2018</i>	<i>New Issued</i>	<i>Redeemed/ Refinanced</i>	<i>Interest Paid</i>	<i>Unmatured Interest June 30, 2019</i>
INTEREST TRANSACTIONS							
General Obligations							
Crown Zellerbach Road	4.00%	2002	1,048	-	172	876	0
Enterprise Obligations							
Water Treatment Plant GO Bonds	5.00%	1979	9,735	-	6,826	2,909	-
Safe Drinking Water Line Notes	3.68%	2010	195,896	-	-	28,475	167,421
Water Treatment Plant Notes	4.43%	2002	264,784	-	-	44,854	219,930
Safe Drinking Water Reservoir Notes	1.00%	2004	228,588	-	-	24,645	203,943
Wastewater Line Relocation US Bank Loan	2.47%	2014	11,115	-	-	6,175	4,940
			<u>\$ 711,166</u>	<u>\$ -</u>	<u>\$ 6,998</u>	<u>107,934</u>	<u>596,234</u>

CITY OF SCAPPOOSE, OREGON

**OTHER SCHEDULES-SCHEDULE OF FUTURE DEBT REQUIREMENTS-GOVERNMENT WIDE (CASH BASIS)-
YEAR ENDED JUNE 30, 2019**

SCHEDULE OF FUTURE DEBT REQUIREMENTS - GOVERNMENT-WIDE

Fiscal Year Ending June 30,				Total Governmental		
	Principal	Interest	Total	Principal	Interest	Total
2020			-	-	-	-
2021			-	-	-	-
2022			-	-	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF SCAPPOOSE, OREGON
OTHER SCHEDULES-SCHEDULE OF FUTURE DEBT BY ISSUE BUSINESS-TYPE (CASH BASIS)
YEAR ENDED JUNE 30, 2019

SCHEDULE OF FUTURE DEBT REQUIREMENTS - BUSINESS TYPE

Fiscal Year Ending June 30,	Miller Road Water Treatment Plant Safe Drinking Water #GO 3003 (50)			Storage Resovior Safe Drinking Water #SO3003 (50)		
	Principal	Interest	Total	Principal	Interest	Total
	2020	78,650	41,342	119,992	134,488	23,313
2021	84,278	37,724	122,002	135,833	21,968	157,802
2022	89,949	33,763	123,712	137,192	20,610	157,802
2023	90,659	29,490	120,149	138,563	19,238	157,802
2024	96,403	25,184	121,587	139,949	17,852	157,802
2025	102,182	20,605	122,787	141,349	16,453	157,802
2026	107,998	15,751	123,749	142,762	15,039	157,802
2027	108,853	10,621	119,474	144,190	13,612	157,802
2028	114,749	5,450	120,199	145,632	12,170	157,802
2029	-	-	-	147,088	10,714	157,802
2030	-	-	-	148,559	9,243	157,802
2031	-	-	-	150,044	7,757	157,802
2032	-	-	-	151,545	6,257	157,802
2033	-	-	-	153,060	4,741	157,802
2034	-	-	-	154,591	3,211	157,802
2035	-	-	-	156,137	1,665	157,802
2036	-	-	-	10,336	103	10,439
2037	-	-	-	-	-	-
2038	-	-	-	-	-	-
2039	-	-	-	-	-	-
2040	-	-	-	-	-	-
2041	-	-	-	-	-	-
44,671	- 873,721	- 219,930	- 1,093,651	- 2,331,317	- 203,946	- 2,535,263

CITY OF SCAPPOOSE, OREGON

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

YEAR ENDED JUNE 30, 2019

SCHEDULE OF FUTURE DEBT REQUIREMENTS - BUSINESS TYPE

Fiscal Year Ending June 30,	Dutch Canyon Water Line (40) Safe Drinking Water S03003B			Wastewater Plant Improvements (41) DEQ State Revolving Fund			Wastewater Line Relocation (41) US Bank Sewer Loan			Total Business-Type		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
	2020	54,913	26,526	81,439	17,642	-	17,642	100,000	3,705	103,705	385,693	94,886
2021	56,934	24,505	81,439	17,642	-	17,642	100,000	1,235	101,235	394,687	85,432	480,119
2022	59,029	22,410	81,439	17,642	-	17,642	-	-	-	303,811	76,783	380,594
2023	61,201	20,238	81,439	17,642	-	17,642	-	-	-	308,065	68,966	377,032
2024	63,453	17,986	81,439	17,642	-	17,642	-	-	-	317,447	61,022	378,470
2025	65,788	15,651	81,439	17,642	-	17,642	-	-	-	326,961	52,709	379,670
2026	68,209	13,229	81,438	17,642	-	17,642	-	-	-	336,611	44,019	380,631
2027	70,719	10,719	81,438	17,642	-	17,642	-	-	-	341,404	34,952	376,356
2028	73,322	8,117	81,439	17,642	-	17,642	-	-	-	351,344	25,737	377,081
2029	76,020	5,419	81,439	17,642	-	17,642	-	-	-	240,750	16,133	256,883
2030	71,227	2,621	73,848	17,642	-	17,642	-	-	-	237,427	11,864	249,291
2031	-	-	-	8,811	-	8,811	-	-	-	158,855	7,757	166,613
2032	-	-	-	-	-	-	-	-	-	151,545	6,257	157,802
2033	-	-	-	-	-	-	-	-	-	153,060	4,741	157,802
2034	-	-	-	-	-	-	-	-	-	154,591	3,211	157,802
2035	-	-	-	-	-	-	-	-	-	156,137	1,665	157,802
2036	-	-	-	-	-	-	-	-	-	10,336	103	10,439
2037	-	-	-	-	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-	-	-	-	-
2041	-	-	-	-	-	-	-	-	-	-	-	-
44,671	720,815	167,421	888,236	202,873	-	202,873	200,000	4,940	204,940	4,328,726	596,237	4,924,963

REGULATORY SECTION

CITY OF SCAPPOOSE

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

As of June 30, 2019

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

We have audited the basic financial statements of the City of Scappoose as of and for the year ended June 30, 2019, and, have issued our report thereon dated December 13, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

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

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

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

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

OAR 162-10-0230 Internal Control

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

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



Steve Tuchscherer, CPA
Umpqua Valley Financial
Roseburg, Oregon
December 13, 2019