

CITY OF LOWELL
LANE COUNTY, OREGON

ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended: June 30, 2023



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FINANCIAL
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For the Fiscal Year Ended: June 30, 2023

Prepared by the Finance Department
of the City of Lowell

Annual Financial Report
Fiscal Year Ending: June 30, 2023

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INTRODUCTORY SECTION

CITY OF LOWELL

CITY OFFICIALS

June 30, 2023

ELECTED OFFICIALS

<u>Position</u>	<u>Title</u>	<u>Name and Address</u>	<u>Term Expires</u>
1	Mayor	Don Bennett 540 Sunridge Lane Lowell, OR 97452	December 31, 2026
2	Council Member	Jimmy Murray 72 Wetleau Dr Lowell, OR 97452	December 31, 2024
3	Council Member	Maureen Weathers PO Box 39 Lowell, OR 97452	December 31, 2024
4	Council Member	Tim Stratis PO Box 342 Lowell, OR 97452	December 31, 2026
5	Council President	Gail Harris PO Box 328 Lowell, OR 97452	December 31, 2024

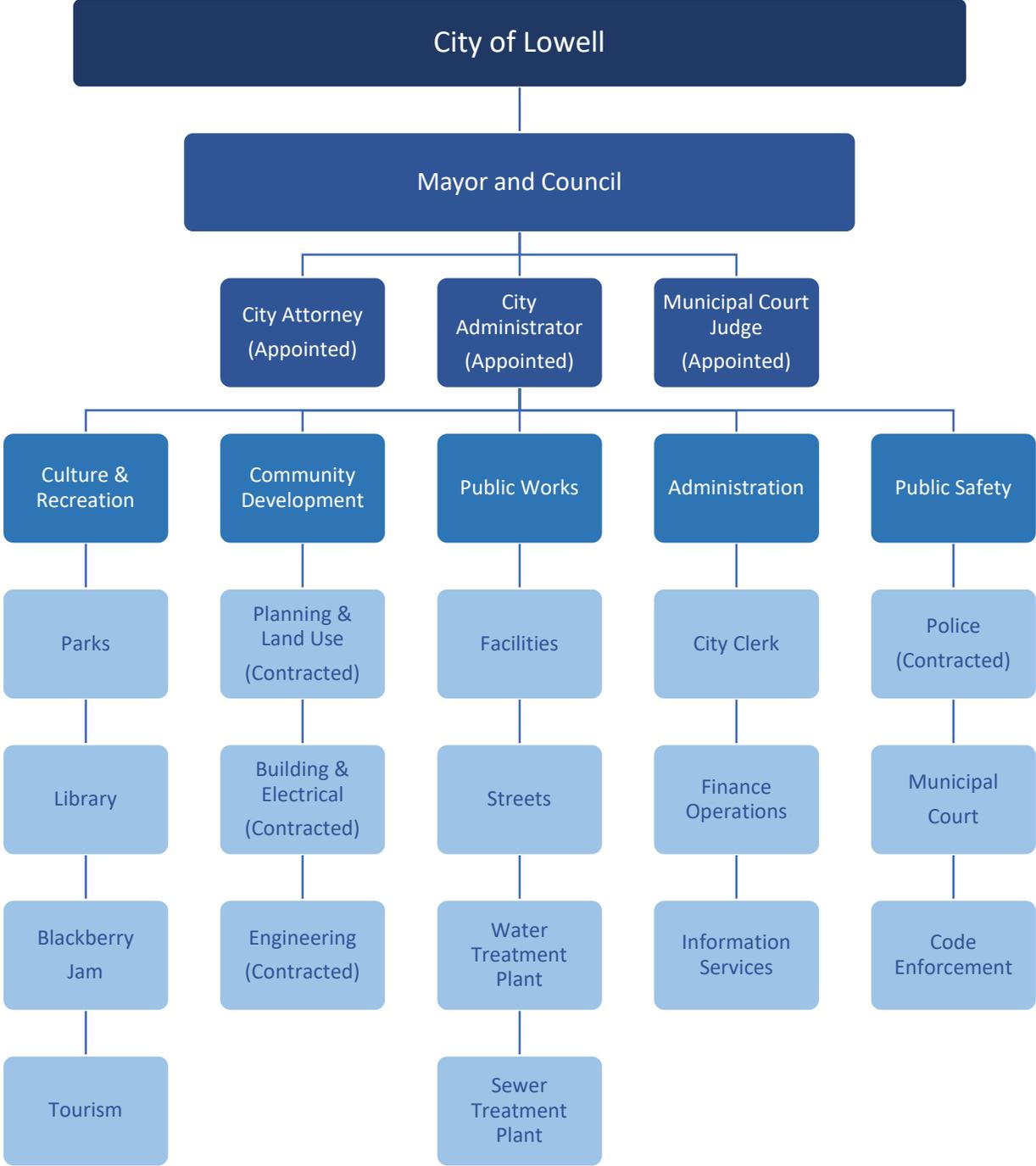
APPOINTED OFFICIALS

<u>Title</u>	<u>Name</u>	<u>Appointed</u>
City Administrator	Jeremy Caudle	January 4, 2021
Attorney at Law	Gary Darnielle	July 1, 2020
Municipal Judge	Frank Segarra	October 15, 2012

MAILING ADDRESS

City of Lowell
70 N Pioneer Street
PO Box 490
Lowell, Oregon 97452
Phone (541) 937-2157

CITY OF LOWELL
Organizational Chart



INDEPENDENT AUDITOR'S REPORT



Independent Auditors' Report

To the City Council
City of Lowell Oregon
70 N. Pioneer St, Lowell Oregon 97452

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Lowell, Oregon of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Lowell as of June 30, 2022, and the respective changes in modified cash basis financial position and, where applicable, cash flows thereof, for the year then ended in accordance with modified cash basis of accounting described in the Notes to the Financial Statements.

Basis of Opinions

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

Emphasis of Matter – Basis of Accounting

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Lowell's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

Supplementary Information

Management's discussion and analysis, the schedules of revenues, expenditures, and changes in fund balances – budget and actuals, are presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedules of revenues, expenditures and changes in fund balances – budget and actuals described above are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The schedules of revenues, expenditures and changes in fund balances – budget and actuals have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of revenues, expenditures and changes in fund balances – budget and actuals are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lowell's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City of Lowell.

The supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain other procedures, including comparing and reconciling such

information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements taken as a whole.

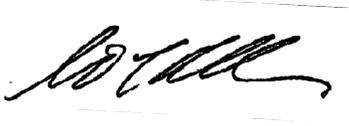
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory information and additional schedules listed in the Statistical Section of the Table of Contents but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion of any form of assurance thereon.

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

Reports on Other Legal and Regulatory Requirements

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, we have issued our report dated December 27, 2023, on our consideration of the City of Lowell’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
Umpqua Valley Financial, LLC
Roseburg, Oregon
December 27, 2023

MANAGEMENT'S DISCUSSION & ANALYSIS

CITY OF LOWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ending June 30, 2023

Management's Discussion and Analysis (MD&A) focuses on current year activities and resulting changes. This MD&A is based on currently known facts, decisions, and conditions that existed as of the date of the independent auditor's report. Please read it in conjunction with the City's financial statements, which follow this discussion and analysis.

This discussion and analysis present the highlights of financial activities and the financial position of the City of Lowell. The analysis focuses on significant financial issues, major financial activities and resulting changes in financial position, debt administration, capital assets, budget changes and variances from the budget, specific issues related to funds and the economic factors affecting the City.

FINANCIAL HIGHLIGHTS

- The City's total Assets as indicated in the statement of net position are \$11,508,510, an increase of \$1,129,033 over the previous year primarily a result of completion of the City Hall/Library improvements, contributed capital for Crestview Estates subdivision improvements, and the water meter upgrade program, less properties sold, and current year depreciation expense.
- The City's total Liabilities as indicated in the statement of net position are \$2,283,551, a decrease of \$160,623 from the previous year, primarily a result of debt service payments made.
- The City's total debt outstanding decreased \$166,432 or 7% during the current fiscal year. This decrease is the result of newly acquired debt and annual debt service payments made.
- The City's Net Position increased \$826,711 in governmental activities and increased \$462,945 in business-type activities for a combined increase of \$1,289,656 over the previous year.
- For its governmental activities, the City received \$187,987 in tax revenue, up \$4,672, or 3% over the prior year.
- For its business-type activities, the City recognized \$1,578,545 in program revenue including \$976,159 in charges for services, reflecting an overall increase of 26.8% versus the prior year.
- The City's governmental funds reported a combined fund balance of \$661,801, an increase of \$43,899 over the previous fiscal year. Of the total fund balance reported, \$458,576 is considered non-spendable, restricted, committed, or assigned. The remaining \$203,225 is available for spending at the government's discretion.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

CITY OF LOWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ending June 30, 2023

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net assets changed during the most recent fiscal year. Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes, fees, and inter-governmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The governmental activities of the City include the following:

- General Government
- Public Works, Streets
- Infrastructure Systems Development
- Blackberry Jam Festival

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

- Building Fund
- Water Utility
- Sewer Utility

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to demonstrate and ensure compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: Governmental funds and Proprietary funds.

Major funds are defined as the General Fund and any other fund where the assets, liabilities, revenues, or expenditures/expenses exceed 10% of total government fund amounts or 10% of total enterprise fund amounts and 5% of total government and enterprise fund amounts combined. Generally accepted accounting principles require that detailed information about major funds be separately disclosed.

Governmental funds

Governmental funds are used to account for activities where the emphasis is placed on available financial resources, rather than upon net income determination. Therefore, unlike the government-wide financial statements, governmental fund financial statements focus on the acquisition and use of current spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide

CITY OF LOWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ending June 30, 2023

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

The City maintains seven individual governmental funds: two major funds: The General Fund and the Street Fund, and six non-major funds: The Blackberry Jam Fund, Parks Systems Development Charges (SDC) Fund, Transportation SDC Fund, Stormwater SDC Fund, and the Equipment Fund. Information for major funds is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances, all non-major funds are aggregated in one column.

The City adopts an annual appropriated budget for all governmental funds. To demonstrate compliance with the budget, budgetary comparison statements have been provided in the Supplementary Information section.

Proprietary funds

Proprietary funds are used to account for activities where the emphasis is placed on net income determination. The City maintains one type of proprietary fund known as an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water utility and sewer utility operations, the collection of water and sewer SDC's and for reserves for water and sewer utility capital improvements. The water and sewer funds, both of which are considered major funds of the City, are combined with their associated reserve and SDC funds in the basic financial statements. The Building Fund accounts for building and electrical inspection activity and is the only non-major enterprise fund.

The City also adopts an annual appropriated budget for all proprietary funds. The proprietary fund financial statements can be found in the Basic Financial Statements. To demonstrate compliance with the budget, budgetary comparison statements have been provided in the Supplementary Information section.

Notes to the basic financial statements

The notes to the basic financial statements contain additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. They are an integral part of the basic financial statements and should be read in conjunction with them.

Other supplementary information

Combining statements and schedules, including budgetary comparison statements, follow the notes in this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

One important question asked about the City's finances is, "Is the City better or worse off as a result of the year's activities?" The information in the government-wide financial statements helps answer this question. These statements include all assets and liabilities, with the addition of reporting depreciation on capital assets. This is similar to the basis of accounting used by most private-sector companies.

The change in net position over time is one indicator of whether the City's financial health is improving or deteriorating. However, there are other non-financial factors that influence the City's fiscal health, such as changes in the economy and changes in the City's tax base, etc. This report includes a comparison to the prior year to assist the reader in determining the status of the City's fiscal standing over time. At the close of the most recent fiscal year, the City's assets exceeded liabilities (net position) by \$9,224,959.

CITY OF LOWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ending June 30, 2023

CITY OF LOWELL – NET POSITION

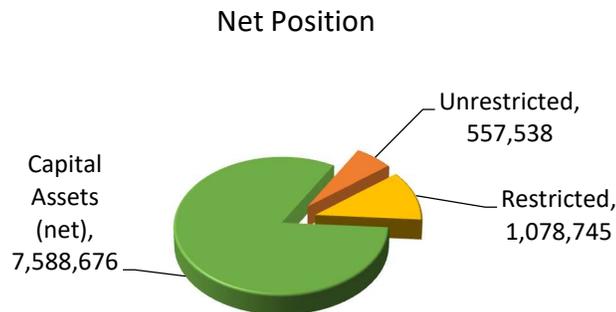
The table below reflects a summary of net position compared to the prior fiscal year, the following notes summarize the major changes to net position.

	Government		Business		Total	
	June 2023	June 2022	June 2023	June 2022	June 2023	June 2022
Current and other assets	\$ 665,960	\$ 618,502	\$ 1,016,732	\$ 885,464	\$ 1,682,692	\$ 1,503,966
Capital assets	5,435,146	4,752,959	4,390,672	4,122,552	9,825,818	8,875,511
Total assets	\$ 6,101,106	\$ 5,371,461	\$ 5,407,404	\$ 5,008,016	\$ 11,508,510	\$ 10,379,477
Current liabilities	\$ 37,656	\$ 23,472	\$ 109,589	\$ 105,806	\$ 147,245	\$ 129,278
Non-current liabilities	729,966	841,216	1,406,340	1,473,680	2,136,306	2,314,896
Total liabilities	\$ 767,622	\$ 864,688	\$ 1,515,929	\$ 1,579,486	\$ 2,283,551	\$ 2,444,174
Net position:						
Net investment in						
capital assets	\$ 4,671,683	\$ 3,888,871	\$ 2,916,993	\$ 2,583,066	\$ 7,588,676	\$ 6,471,937
Restricted	442,494	371,055	636,251	516,633	1,078,745	887,688
Unrestricted	219,307	246,847	338,231	328,831	557,538	575,678
Total net position	\$ 5,333,484	\$ 4,506,773	\$ 3,891,475	\$ 3,428,530	\$ 9,224,959	\$ 7,935,303

Changes in net position

The entire balance of unrestricted net position may be used to meet the government’s ongoing obligations to citizens and creditors within the fund they are located. The City’s current and other assets equal \$1,682,692, an increase of \$178,726 over the previous year. The City’s total non-current liabilities equal \$2,316,306, a decrease of \$178,590 from the previous fiscal year.

82% of the City’s net position is invested in capital assets (e.g. land, buildings, equipment, and infrastructure, less accumulated depreciation), and reported net of any related debt. The City uses these capital assets to provide services to its citizens, thus, they do not represent resources available for future spending. 12% of the City’s net position is restricted and represents cash and investments that are legally restricted for capital expansion or debt service. Finally, the remaining 6% is unrestricted, meaning it is available for meeting the City’s ongoing obligations. The following chart displays the three components of net position as of June 30th.



CITY OF LOWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ending June 30, 2023

CITY OF LOWELL – STATEMENT OF ACTIVITIES

As with the Statement of Net Position, the Statement of Activities reports activities on a consolidated basis. A summary of significant activities follows the table below.

	Government		Business		Total	
	June 2023	June 2022	June 2023	June 2022	June 2023	June 2022
Revenues:						
Program revenues:						
Charges for service	\$ 50,075	\$ 53,380	\$ 976,159	\$ 949,392	\$ 1,026,234	\$ 1,002,772
Capital grants & contributions	773,111	405,579	578,560	206,180	1,351,671	611,759
Operating grants	291,104	223,330	23,826	-	314,930	223,330
Total program revenues	1,114,290	682,289	1,578,545	1,155,572	2,692,835	1,837,861
General revenues:						
Property taxes	187,987	183,315	-	-	187,987	183,315
Franchise & public service taxes	103,436	96,397	-	-	103,436	96,397
Investment earnings	8,615	2,555	15,046	3,399	23,661	5,954
Other	2,559	678	5,470	1,850	8,029	2,528
Gain (loss) on sale of asset	81,788	57,860	-	-	81,788	57,860
Total general revenues	384,385	340,805	20,516	5,249	404,901	346,054
Total revenues:	1,498,675	1,023,094	1,599,061	1,160,821	3,097,736	2,183,915
Expenses:						
General government	158,782	140,414	-	-	158,782	140,414
Culture & recreation	212,465	133,564	-	-	212,465	133,564
Public safety	33,663	29,453	-	-	33,663	29,453
Community Development	123,426	88,212	-	-	123,426	88,212
Code Enforcement	6,974	12,259	-	-	6,974	12,259
Tourism	1,223	3,202	-	-	1,223	3,202
Municipal court	14,040	17,901	-	-	14,040	17,901
Highways & streets	121,391	92,778	-	-	121,391	92,778
Building			84,599	101,115	84,599	101,115
Water			526,955	526,635	526,955	526,635
Sewer			524,562	540,482	524,562	540,482
Total expenses:	671,964	517,783	1,136,116	1,168,232	1,808,080	1,686,015
Increase in net position	826,711	505,311	462,945	(7,411)	1,289,656	497,900
Change in net position	826,711	505,311	462,945	(7,411)	1,289,656	497,900
Beginning net position	4,506,773	4,001,462	3,428,530	3,435,941	7,935,303	7,437,403
Ending net position	\$ 5,333,484	\$ 4,506,773	\$ 3,891,475	\$ 3,428,530	\$ 9,224,959	\$ 7,935,303

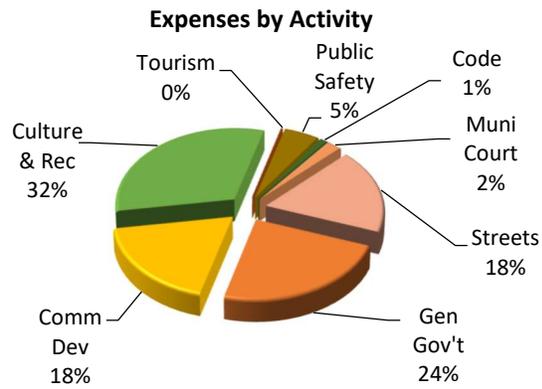
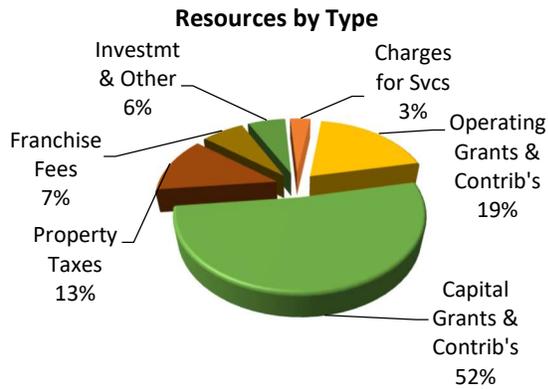
CITY OF LOWELL
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 For the Year Ending June 30, 2023

Governmental Activities

The net position for governmental activities increased \$826,711 over the prior year. This increase is mainly the result of ongoing operations for governmental activities.

Financial highlights from governmental activities for the year include:

- Property taxes comprise approximately 12.5% of governmental resources. For operating purposes, property tax revenues increased \$4,672 over last year, as allowed by statute.
- Charges for services represent 3.3% of governmental resources which include: Land use and other permits and licenses, reimbursement SDC's, festival revenue and court fines.
- Franchise fees increased \$7,039 over last year.
- The City recognized \$81,788 as a gain on sale of fixed assets.
- The major differences to governmental revenue include: an increase to land use permits of \$1,849 due to an increase in development, and an increase to capital grants of \$367,532 mainly due to Oregon Community Foundation Grant of \$20,000, contributed capital for Crestview Estates infrastructure improvements of \$707,085, an increase to operating grants of \$67,774 mainly due to American Rescue Plan Act (ARPA) grant of \$84,519, a Lane County Grant of \$50,000 and a \$81,788 gain on the sale of three city owned properties.
- Total governmental activity expenses increased \$154,181 mainly due to an increase in land use development activity, remediation and legal fees associated with the removal of under-ground storage tanks located at 205 E Main Street, and the addition of a half time librarian.



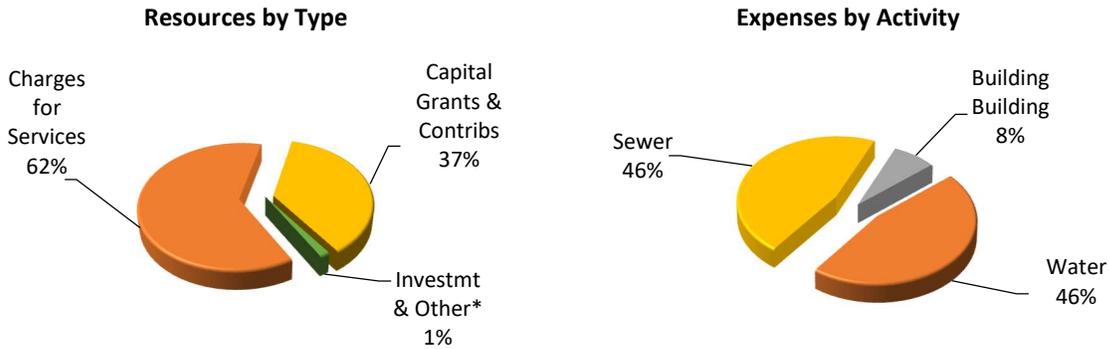
CITY OF LOWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ending June 30, 2023

Business Activities

Business-type activities resulted in a \$462,945 increase to net position over the prior year mainly the result of contributed capital of \$435,860, Operating Grants of \$23,826 and an overall decrease in operational expenses of \$32,116, which include \$84,599 for the Building Fund, \$526,955 for the Water Fund, and \$524,562 for the Sewer Fund.

Key activities during the fiscal year include:

- Charges for services in the water and sewer funds generated the majority of the \$1,578,545 in revenues for all business-type activities.
- Capital grants and contributions increased \$372,380 mainly due to contributed capital of \$435,860.
- Operating grants increased \$23,826 due to Oregon Business Development Department grants for the water and sewer master plan updates.
- Expenses decreased \$32,116 mainly due to a decrease in activity within the Building Fund.



FUND FINANCIAL ANALYSIS

As previously discussed, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A summary of the City's fund balances and fund types follows the table below.

	Government		Business		Total	
	June 2023	June 2022	June 2023	June 2022	June 2023	June 2022
General Fund	\$ 244,823	\$ 264,759	\$ -	\$ -	\$ 244,823	\$ 264,759
Street Fund	130,804	111,798	-	-	130,804	111,798
SDC Fund(s)	272,415	227,521	-	-	272,415	227,521
BBJ Festival Fund	13,759	13,824	-	-	13,759	13,824
Building Fund	-	-	68,793	57,234	68,793	57,234
Water Operating Fund	-	-	1,469,987	1,307,921	1,469,987	1,307,921
Water SDC Fund	-	-	438,835	376,133	438,835	376,133
Water Reserve Fund	-	-	40,352	39,457	40,352	39,457
Sewer Operating fund	-	-	1,716,444	1,499,775	1,716,444	1,499,775
Sewer SDC Fund	-	-	140,993	132,238	140,993	132,238
Sewer Reserve Fund	-	-	16,071	15,772	16,071	15,772
Total:	\$ 661,801	\$ 617,902	\$ 3,891,475	\$ 3,428,530	\$ 4,553,276	\$ 4,046,432

CITY OF LOWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ending June 30, 2023

Governmental funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$661,801, of which \$203,225 is unassigned. Of the remaining amount \$444,817 is restricted or committed for parks, streets, capital projects and SDC's, and \$13,759 is assigned for the Blackberry Jam.

Business-type (Proprietary) funds

The Water, Sewer and Building funds ended the year with a \$462,945 increase in net position, for a combined net position of \$3,891,475.

- The Water fund ended the fiscal year with a net position of \$1,949,174, with \$37,019 of that amount unrestricted and the remaining balance restricted for debt service, capital projects (SDC's) or invested (net) in capital assets.
- The Sewer fund ended the fiscal year with a net position of \$1,873,508, with \$232,419 of that amount unrestricted and the remaining balance restricted for debt service, capital projects (SDC's) or invested (net) in capital assets.
- The Building fund ended with a net position of \$68,793, all of which is unrestricted.

GENERAL FUND BUDGETARY HIGHLIGHTS

The budgetary statement for the General Fund shows the original budget, final budget, actual revenues, expenditures, debt service and transfers for the fiscal year ending June 30, 2023. The Council approved two amendments to the budget which were approved by resolution. The adjustments include:

- An increase to the community development department of \$79,617 due to unanticipated activity
- An increase of \$4,170 in police services
- An increase of \$2,820 in municipal court services due to unanticipated activity
- A decrease of \$10,407 in parks improvements to partially offset increases in other areas
- Scheduled transfers to the General Fund from the Sewer Fund of \$76,200. Ultimately this transfer was not necessary and did not occur.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets

The City's investment in capital assets for its governmental and business-type activities as of June 30th was \$9,825,818 (net of accumulated depreciation). This investment in capital assets includes land, right-of-way, buildings and improvements, improvements other than buildings (such as parks and park improvements), equipment, and infrastructure (streets, water, storm water, and wastewater). Major purchases this year include City Hall/Library improvements, a new SCADA computer and software for the water treatment plant, new radio read water meters, water and street repairs to 1st Street, and contributed capital improvements for infrastructure in the Crestview subdivision.

CITY OF LOWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ending June 30, 2023

	Government		Business		Total	
	June 2023	June 2022	June 2023	June 2022	June 2023	June 2022
Land	\$ 2,681,918	\$ 2,735,911	\$ 92,179	\$ 92,179	\$ 2,774,097	\$ 2,828,090
Property acquired for resale	-	308,935	-	-	-	308,935
Construction in progress	31,146	247,126	-	-	31,146	247,126
Buildings	1,017,347	431,437	124,989	124,989	1,142,336	556,426
Infrastructure	2,377,287	1,657,535	9,776,825	9,211,303	12,154,112	10,868,838
Equipment & furnishings	92,071	34,935	133,208	200,352	225,279	235,287
Vehicles & rolling stock	52,147	52,147	55,846	55,847	107,993	107,994
Total:	6,251,916	5,468,026	10,183,047	9,684,670	16,434,963	15,152,696
Accum depreciation:	(816,770)	(715,067)	(5,792,375)	(5,562,117)	(6,609,145)	(6,277,184)
Net capital assets:	<u>\$ 5,435,146</u>	<u>\$ 4,752,959</u>	<u>\$ 4,390,672</u>	<u>\$ 4,122,553</u>	<u>\$ 9,825,818</u>	<u>\$ 8,875,512</u>

Debt Administration

Governmental debt outstanding of \$763,463 reflects a note payable to Government Capital Corporation for the purchase of the Library/City Hall facility and downtown properties, a new loan through Business Oregon for City Hall/Library improvements as well as a loan through Business Oregon for street improvements. Business debt outstanding of \$1,473,679 includes notes payable through Business Oregon and United States Department of Agriculture – Rural Utilities Services (USDA RUS) for water and sewer system improvements. None of this debt is paid with general obligation bonds.

During the fiscal year, all scheduled debt service payments were met. Governmental debt service obligations are met using unrestricted general revenues and state highway street tax revenues within the Street Fund. Business debt service requirements are met using revenue generated by water and sewer utilities, SDC's, reimbursement district assessments and/or applicable existing debt reserve. The overall decrease to outstanding debt of \$166,432 reflects newly added debt less current year repayment. Of the total debt, \$100,836 is due within one year, and \$2,136,306 is due within more than one year. For a detailed description of all loans, lending agency, start date, and interest rates, please see the notes to the basic financial statements.

	Government		Business		Total	
	June 2023	June 2022	June 2023	June 2022	June 2023	June 2022
Long term obligations:						
Notes payable:						
Gov't Capital Note (256156)	\$ 456,986	\$ 476,431	\$ -	\$ -	\$ 456,986	\$ 476,431
Gov't Capital Note (263007)	-	307,978	-	-	-	307,978
Business Oregon (J05001)	-	-	85,273	95,196	85,273	95,196
Business Oregon (G02002)	-	-	126,889	150,690	126,889	150,690
Business Oregon (L21001)	76,253	79,679	170,101	177,746	246,354	257,425
Business Oregon (L22010)	230,224	-	-	-	230,224	-
USDA RUS (91-03)	-	-	779,703	797,161	779,703	797,161
USDA RUS (92-05)	-	-	311,713	318,693	311,713	318,693
Total obligations:	\$ 763,463	\$ 864,088	\$ 1,473,679	\$ 1,539,486	\$ 2,237,142	\$ 2,403,574

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

CITY OF LOWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ending June 30, 2023

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City of Lowell is in a stable financial position and continues to experience a slow growth rate and expansion of its infrastructure. The fiscal year 2023-2024 budget was approved by the City Council on June 6, 2023, in the total amount of \$4,072,297, which includes \$247,392 in ending fund balances, \$420,713 in debt service and \$1,291,183 for capital projects. The budget reflects the City is dedicated to investing in its infrastructure while ensuring that it is able to maintain high quality services to the City.

Property taxes are the primary resource for the General Fund. The City's permanent tax rate is \$2.1613 per \$1,000 of assessed valuation. Taxes from the permanent rate are recorded in the General Fund as discretionary revenues to support General Fund programs such as Police, Municipal Court, Library, Parks and Recreation and Community Development. Property taxes are budgeted at \$182,370 for the ensuing fiscal year.

Franchise fees and privilege taxes are the second largest revenue source for the General Fund, budgeted at \$68,500, and have proven to be largely stable. These fees are charged to various utility companies for use of public right-of-way based upon a percentage of net sales within city limits. This budget reflects the discontinuation of in lieu of franchise fees for the City's water and sewer utilities, which were rescinded by Council via Resolution 808.

Intergovernmental revenues in the General Fund, budgeted at \$38,660, originate from state and county shared revenues. The state shared revenues include liquor and cigarette excise taxes, state shared revenues and others. The revenues are allocated by various formulas, but utilize a per capita rate. The Street Fund also receives shared revenues from State Highway Street Tax which is budgeted at \$80,000. Shared revenues remain relatively flat.

The personal services budget includes a 3.5% merit increase for employees that receive a satisfactory performance evaluation. Medical benefits are anticipated to increase 3%, and Public Employees Retirement System (PERS) rates will increase 24%.

Utility rates are reviewed regularly and adjusted by the City Council to ensure charges are sufficient to finance all related operating, capital outlay, debt service expenses, and operating reserves, as such:

- Water rates will increase 24%, based on a household using 4,000 gallons per month, effective July 1, 2023
- Sewer rates will increase 02%, based on a household using 4,000 gallons per month, effective July 1, 2023

Uncertainties about future economic changes and financial impacts are common to all cities. While the local economy may be characterized as stable, significant economic growth is not anticipated for the ensuing fiscal year. The 2022 population estimate is 1,235, reflecting a 2% increase from last year, as provided by the Population Research Center at Portland State University.

REQUESTS FOR INFORMATION

The financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, please contact:

Jeremy Caudle
City of Lowell
P. O. Box 490
Lowell, OR 97452

BASIC FINANCIAL STATEMENTS

CITY OF LOWELL
Statement of Net Position
Modified Cash Basis
For the Year Ended June 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 665,960	\$ 1,016,732	\$ 1,682,692
Other current assets	-	-	-
Total current assets	<u>665,960</u>	<u>1,016,732</u>	<u>1,682,692</u>
Non-current assets:			
Capital assets:			
Land	2,681,918	92,179	2,774,097
Buildings and facilities	1,017,347	124,989	1,142,336
Equipment and furnishings	92,071	133,209	225,280
Vehicles and rolling stock	52,147	55,846	107,993
Infrastructure	2,377,287	9,776,825	12,154,112
Construction in progress	31,146	-	31,146
Less accumulated depreciation	<u>(816,770)</u>	<u>(5,792,376)</u>	<u>(6,609,146)</u>
Total non-current assets	<u>5,435,146</u>	<u>4,390,672</u>	<u>9,825,818</u>
Total assets	<u>\$ 6,101,106</u>	<u>\$ 5,407,404</u>	<u>\$ 11,508,510</u>
LIABILITIES			
Current liabilities:			
Utility deposits	\$ -	\$ 41,140	\$ 41,140
Utility donations	-	1,110	1,110
CET tax collected	3,443	-	3,443
Lane Electric Co-op pay station	116	-	116
Other deposits	600	-	600
Notes payable - current	<u>33,497</u>	<u>67,339</u>	<u>100,836</u>
Total current liabilities	<u>37,656</u>	<u>109,589</u>	<u>147,245</u>
Non-current liabilities:			
Notes payable - noncurrent	<u>729,966</u>	<u>1,406,340</u>	<u>2,136,306</u>
Total non-current liabilities	<u>729,966</u>	<u>1,406,340</u>	<u>2,136,306</u>
Total liabilities	<u>767,622</u>	<u>1,515,929</u>	<u>2,283,551</u>
NET POSITION			
Net investment in capital assets	4,671,683	2,916,993	7,588,676
Restricted for:			
Culture and recreation	4,348	-	4,348
Tourism	34,927	-	34,927
Streets	130,804	-	130,804
Debt service	-	56,423	56,423
Capital projects (SDC)	272,415	579,828	852,243
Unrestricted	<u>219,307</u>	<u>338,231</u>	<u>557,538</u>
Total net position	<u>\$ 5,333,484</u>	<u>\$ 3,891,475</u>	<u>\$ 9,224,959</u>

The accompanying notes are an integral part of these financial statements

CITY OF LOWELL
Statement of Activities
Modified Cash Basis
For the Year Ended June 30, 2023

Functions/Programs	Program Revenue				Net (expenses) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary Government							
Governmental Activities							
General Government	\$ 158,782	\$ 6,280	\$ 174,913	\$ -	\$ 22,411	\$ -	22,411
Culture & Recreation	212,465	13,890	9,488	39,655	(149,432)	-	(149,432)
Public Safety	33,663	-	-	-	(33,663)	-	(33,663)
Community Development	123,426	20,493	-	-	(102,933)	-	(102,933)
Code Enforcement	6,974	967	-	-	(6,007)	-	(6,007)
Tourism	1,223	-	11,318	-	10,095	-	10,095
Municipal Court	14,040	6,365	-	-	(7,675)	-	(7,675)
Highways & Streets	121,391	2,080	95,385	733,456	709,530	-	709,530
Total governmental activities	671,964	50,075	291,104	773,111	442,326	-	442,326
Business-type activities:							
Building	84,599	96,145	-	-	-	11,546	11,546
Water	526,955	412,776	18,301	307,871	-	211,993	211,993
Sewer	524,562	467,238	5,525	270,689	-	218,890	218,890
Total business-type activities	1,136,116	976,159	23,826	578,560	-	442,429	442,429
Total primary government	1,808,080	1,026,234	314,930	1,351,671	442,326	442,429	884,755
General Revenues							
Property Taxes, levies for general purposes					187,987	-	187,987
Franchise fees					103,436	-	103,436
Unrestricted Investment earnings					8,615	15,046	23,661
Miscellaneous					2,559	5,470	8,029
Net Gain (loss) on sale of assets					81,788	-	81,788
Total general revenues and transfers					384,385	20,516	404,901
Changes in net position					826,711	462,945	1,289,656
Net position - beginning					4,506,773	3,428,530	7,935,303
Net position - ending					\$ 5,333,484	\$ 3,891,475	\$ 9,224,959

The accompanying notes are an integral part of these financial statements

CITY OF LOWELL
Balance Sheet
Governmental Funds
Modified Cash Basis
For the Year Ended June 30, 2023

	General Fund	Street Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 248,982	\$ 130,804	\$ 286,174	\$ 665,960
Total assets	<u>248,982</u>	<u>130,804</u>	<u>286,174</u>	<u>665,960</u>
LIABILITIES, AND FUND BLANCES				
Liabilities:				
CET Tax Collected	3,443	-	-	3,443
Lane Electric Co-op pay station	116	-	-	116
Other Deposits	600	-	-	600
Total liabilities	<u>4,159</u>	<u>-</u>	<u>-</u>	<u>4,159</u>
Fund Equity:				
Restricted for:				
Streets	-	130,804	-	130,804
Parks SDC	-	-	105,232	105,232
Streets SDC	-	-	81,858	81,858
Stormwater SDC	-	-	85,325	85,325
Library Capital Donations	4,348	-	-	4,348
Tourism	34,927	-	-	34,927
Committed for:				
Property Maintenance	2,323	-	-	2,323
Assigned for:				
Blackberry Jam Festival	-	-	13,759	13,759
Unassigned	203,225	-	-	203,225
Total fund balances	<u>244,823</u>	<u>130,804</u>	<u>286,174</u>	<u>661,801</u>
Total liabilities and fund balances	<u>\$ 248,982</u>	<u>\$ 130,804</u>	<u>\$ 286,174</u>	<u>\$ 665,960</u>

The accompanying notes are an integral part of these financial statements

CITY OF LOWELL
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets
Modified Cash Basis
For the Year Ended June 30, 2023

Total fund balances - governmental funds	\$	661,801
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	5,435,146
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

Notes and bonds	(763,463)
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Net Position of Governmental Activities	<u>\$</u>	<u>5,333,484</u>
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The accompanying notes are an integral part of these financial statements

CITY OF LOWELL
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Modified Cash Basis
For the Year Ended June 30, 2023

	General Fund	Street Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property Taxes	\$ 187,987	\$ -	\$ -	\$ 187,987
Intergovernmental	40,393	95,385	-	135,778
Grants	166,837	-	-	166,837
Franchise fees	103,436	-	-	103,436
Licenses and permits	21,460	-	-	21,460
Reimbursement SDC's	940	2,080	-	3,020
SDC Fees	-	-	46,026	46,026
Charges for services	6,280	-	-	6,280
Fees and fines	6,365	-	-	6,365
Investment earnings	2,327	1,676	4,613	8,616
Miscellaneous	10,828	-	220	11,048
Fundraising and event receipts	-	-	12,950	12,950
Total Revenues	546,853	99,141	63,809	709,803
EXPENDITURES				
Current:				
General government	109,963	-	-	109,963
Parks	75,953	-	5,743	81,696
Public safety	33,663	-	-	33,663
Community development	123,426	-	-	123,426
Library	94,423	-	-	94,423
Code enforcement	6,974	-	-	6,974
Tourism	1,223	-	-	1,223
Municipal court	14,040	-	-	14,040
Highways and streets	-	62,296	-	62,296
Blackberry Jam Festival	-	-	13,237	13,237
Debt service:				
Principal	327,423	3,427	-	330,850
Interest	27,574	1,745	-	29,319
Capital Outlay:	427,066	12,667	-	439,733
Total Expenditures	1,241,728	80,135	18,980	1,340,843
Excess (deficiency) of revenues over expenditures	(694,875)	19,006	44,829	(631,040)
OTHER FINANCING SOURCESS (USES)				
Proceeds from loan	230,224	-	-	230,224
Proceeds from disposition of assets	444,715	-	-	444,715
Total other financing sources and uses	674,939	-	-	674,939
Net change in fund balances	(19,936)	19,006	44,829	43,899
Fund balances - beginning	264,759	111,798	241,345	617,902
Fund balances - ending	\$ 244,823	\$ 130,804	\$ 286,174	\$ 661,801

The accompanying notes are an integral part of these financial statements

CITY OF LOWELL
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Modified Cash Basis
For the Year Ended June 30, 2023

Net change in fund balances - total governmental funds	\$	43,899
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Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Expenditures for capital assets	\$	439,733	
Less current year depreciation		(101,703)	338,030

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

Contributions from outside parties		707,085	
Cost of capital assets sold, disposed or adjusted		(362,927)	344,158

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount by which proceeds exceeded repayments.

Issuance of debt		(230,224)	
Principal Payments		330,849	100,625

Rounding		(1)
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Change in Net Position of Governmental Activities	\$	826,711
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The accompanying notes are an integral part of these financial statements

CITY OF LOWELL
Statement of Net Position
Proprietary Funds
Modified Cash Basis
For the Year Ended June 30, 2023

	Water Operating Fund	Sewer Operating Fund	Building Fund	Total Proprietary Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 558,456	\$ 389,483	68,793	\$ 1,016,732
Other current assets	-	-	-	-
Total current assets	<u>558,456</u>	<u>389,483</u>	<u>68,793</u>	<u>1,016,732</u>
Non-current assets:				
Capital assets:				
Land	81,179	11,000	-	92,179
Buildings and facilities	35,875	89,114	-	124,989
Equipment and furnishings	40,027	93,182	-	133,209
Vehicles and rolling stock	34,066	21,780	-	55,846
Infrastructure	4,817,522	4,959,303	-	9,776,825
Less accumulated depreciation	(2,583,260)	(3,209,116)	-	(5,792,376)
Total non-current assets	<u>2,425,409</u>	<u>1,965,263</u>	<u>-</u>	<u>4,390,672</u>
Total assets	<u>\$ 2,983,865</u>	<u>\$ 2,354,746</u>	<u>\$ 68,793</u>	<u>\$ 5,407,404</u>
LIABILITIES				
Current liabilities:				
Utility Deposits	\$ 41,140	\$ -	-	\$ 41,140
Utility Donations	1,110	-	-	1,110
Notes payable - current	30,968	36,371	-	67,339
Total current liabilities	<u>73,218</u>	<u>36,371</u>	<u>-</u>	<u>109,589</u>
Non-current liabilities:				
Notes payable - noncurrent	961,473	444,867	-	1,406,340
Total non-current liabilities	<u>961,473</u>	<u>444,867</u>	<u>-</u>	<u>1,406,340</u>
Total liabilities	<u>1,034,691</u>	<u>481,238</u>	<u>-</u>	<u>1,515,929</u>
NET POSITION				
Net investment in capital assets	1,432,968	1,484,025	-	2,916,993
Restricted for:				
Debt service	40,352	16,071	-	56,423
Capital projects (SDC)	438,835	140,993	-	579,828
Unrestricted	37,019	232,419	68,793	338,231
Total net position	<u>\$ 1,949,174</u>	<u>\$ 1,873,508</u>	<u>\$ 68,793</u>	<u>\$ 3,891,475</u>

The accompanying notes are an integral part of these financial statements

CITY OF LOWELL
Statement of Revenues, Expenditures and Changes in Fund Net Position
Proprietary Funds
Modified Cash Basis
For the Year Ended June 30, 2023

	Water Operating Fund	Sewer Operating Fund	Building Fund	Total
OPERATING REVENUES				
Charges for services	\$ 393,126	\$ 452,693	-	\$ 845,819
Operating grants	18,301	5,525	-	23,826
Reimbursement SDC's	14,900	12,360	-	27,260
Other revenues	4,750	2,185	96,145	103,080
Total operating revenues	<u>431,077</u>	<u>472,763</u>	<u>96,145</u>	<u>999,985</u>
OPERATING EXPENSES				
Personal services	192,970	192,986	12,185	398,141
Contractual services	65,906	45,529	67,411	178,846
Utilities	23,069	47,686	470	71,225
Repairs and maintenance	36,996	21,752	-	58,748
Office supplies and expenses	22,052	22,528	579	45,159
Other operating expenses	46,408	56,718	3,953	107,079
Depreciation	111,278	118,981	-	230,259
Total operating expenses	<u>498,679</u>	<u>506,180</u>	<u>84,598</u>	<u>1,089,457</u>
Operating income (loss)	<u>(67,602)</u>	<u>(33,417)</u>	<u>11,547</u>	<u>(89,472)</u>
NON-OPERATING REVENUES (EXPENSES):				
Investment revenue	10,062	4,972	12	15,046
Miscellaneous revenue	3,607	1,862	-	5,469
Interest expense	(28,275)	(18,383)	-	(46,658)
Total non-operating revenues (expenses)	<u>(14,606)</u>	<u>(11,549)</u>	<u>12</u>	<u>(26,143)</u>
Net income (loss) before contributions and transfers	(82,208)	(44,966)	11,559	(115,615)
CAPITAL CONTRIBUTIONS:				
Capital grants	231,271	250,340	250,340	250,340
SDC Fees	76,600	76,600	20,349	20,349
Capital contributions	<u>307,871</u>	<u>270,689</u>	<u>-</u>	<u>578,560</u>
Change in net position	<u>225,663</u>	<u>225,723</u>	<u>11,559</u>	<u>462,945</u>
Net position - beginning	<u>1,723,511</u>	<u>1,647,785</u>	<u>57,234</u>	<u>3,428,530</u>
Net position - ending	<u>\$ 1,949,174</u>	<u>\$ 1,873,508</u>	<u>\$ 68,793</u>	<u>\$ 3,891,475</u>

The accompanying notes are an integral part of these financial statements

CITY OF LOWELL
Statement of Cash Flows - Proprietary Funds
Modified Cash Basis
For the Year Ended June 30, 2023

	Water Operating Fund	Sewer Operating Fund	Building Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 412,776	\$ 467,238	\$ 96,145	\$ 976,159
Other operating receipts	18,301	5,525	-	23,826
Payments to employees	(192,970)	(192,986)	(12,185)	(398,141)
Payments to suppliers	(194,431)	(194,213)	(72,413)	(461,057)
Increase (decrease) in cash deposits	2,498	1,775	-	4,273
Net cash provided (used) by operating activities	<u>46,174</u>	<u>87,339</u>	<u>11,547</u>	<u>145,060</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Other receipts	<u>3,607</u>	<u>1,863</u>	<u>-</u>	<u>5,470</u>
Net cash provided (used) by noncapital financing activities	<u>3,607</u>	<u>1,863</u>	<u>-</u>	<u>5,470</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital contributions - grants and fees	122,351	20,349	-	142,700
Purchases of capital assets	(61,043)	(1,475)	-	(62,518)
Principal paid on capital debt	(30,064)	(35,743)	-	(65,807)
Interest paid on capital debt	(28,275)	(18,383)	-	(46,658)
Net cash provided (used) by capital related financing activities	<u>2,969</u>	<u>(35,252)</u>	<u>-</u>	<u>(32,283)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	<u>10,060</u>	<u>4,972</u>	<u>12</u>	<u>15,044</u>
Net cash provided (used) by investing activities	<u>10,060</u>	<u>4,972</u>	<u>12</u>	<u>15,044</u>
Net increase (decrease) in cash and cash equivalents	<u>62,810</u>	<u>58,922</u>	<u>11,559</u>	<u>133,291</u>
Cash Balances - beginning of the year	<u>495,645</u>	<u>330,561</u>	<u>57,234</u>	<u>883,440</u>
Cash Balances - end of the year	<u>\$ 558,455</u>	<u>\$ 389,483</u>	<u>\$ 68,793</u>	<u>\$ 1,016,731</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ (67,602)	\$ (33,417)	\$ 11,547	\$ (89,472)
Adjustments to reconcile operating income:				
Depreciation expense	111,278	118,981	-	230,259
Change in assets and liabilities:				
Increase (decrease) in deposits and donations	2,250	-	-	2,250
(Increase) decrease in other cash deposits	248	1,775	-	2,023
Net cash provided (used) by operating activities	<u>\$ 46,174</u>	<u>\$ 87,339</u>	<u>\$ 11,547</u>	<u>\$ 145,060</u>

The accompanying notes are an integral part of these financial statements

NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF LOWELL
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Lowell, Oregon, operates under a Council-Manager form of government. The governing body consists of five elected council members, of which one is selected as Mayor by a majority of the Council.

The City of Lowell, Oregon is a primary government. A primary government is financially accountable for the organizations (component units) that make up its legal entity. The City has considered all organizations for which the City is financially accountable. Financial accountability may be evidenced by the ability to appoint the voting majority of the governing body, and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific burdens on, the primary government; or a fiscal dependency or intergovernmental relationship so close that exclusion from the primary government would render the financial statement incomplete or misleading. The City has determined that there are no component units required to be included in these financial statements.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on the entire City. For the most part, the effect of inter-fund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. General and other governmental funds are reported as separate columns in the fund financial statements.

C. Measurement focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using a modified cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, revenues, and expenditures when they result from cash transactions with a provision for capital assets and depreciation, recognition of long-term debts and utility deposits. The modified cash basis of accounting is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under accounting principles generally accepted in the United States of America, revenues are recognized when earned and expenses are recognized when the related liabilities are incurred. The modified cash basis of accounting is specifically allowed under Oregon rules, and the City considers the use of this basis to be an appropriate reflection of the City's financial status and results of operations.

The City reports the following major governmental funds:

- *General Fund*
Accounts for all financial sources except for those required to be accounted for in another fund. The principal revenue sources are property taxes, franchise fees and state shared revenues.

CITY OF LOWELL
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- *Street Fund*

Accounts for all receipts of state gasoline taxes and related interest. The monies are expended primarily for the repair and maintenance of City roads, curbs, gutters, and sidewalks.

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

- *Special Revenue Funds*

Primarily operating funds that account for specific taxes or other revenue sources, which are legally restricted to finance particular functions or activities.

- *Capital Projects Funds*

Accounts for financial resources used for the acquisition or construction of major capital facilities (other than those financed by Proprietary funds).

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

The City reports the following major proprietary funds:

- *Water Fund*

Water Operating Fund (*Budgetary basis financial statements only*)

Water Reserve Fund (*Budgetary basis financial statements only*)

Water SDC Fund (*Budgetary basis financial statements only*)

- *Sewer Fund*

Sewer Operating Fund (*Budgetary basis financial statements only*)

Sewer Reserve Fund (*Budgetary basis financial statements only*)

Sewer SDC Fund (*Budgetary basis financial statements only*)

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

- *Building Fund*

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

As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include operating grants and contributions and capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources, as they are needed.

CITY OF LOWELL

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2023

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

D. Fund Balance

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, Fund balance reporting and Governmental Fund type Definitions (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB 54 requires the fund balance amounts to be properly reported within one of the following fund balance categories:

- *Non-spendable*
Fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
- *Restricted*
Fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- *Committed*
Fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board of Directors (the District's highest level of decision-making authority).
- *Assigned*
Fund balance intended to be used for specific purposes but do not meet the criteria to be classified as restricted or committed.
- *Unassigned*
Fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in other classifications. The General Fund is the only fund which can have an "Unassigned" fund balance.

E. Assets, Liabilities, and Net Position

Cash and Investments

The cash and investments reported on the statement of net position include checking account, state Local Government Investment Pool (LGIP), and petty cash balances. The City invests in the LGIP, which is managed by the State Treasurer's office. These investments are managed in accordance with the "prudent person rule" and administrative regulations of the State Treasurer, which may change. Eligible investments are those allowed by Oregon law and are not leveraged and do not contain any derivative products. The City reports the fair value of their position in the pool the same as the value of pool shares.

Receivables and payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" or "advances to/from other funds". All other outstanding balances between funds are reported as "due to/from other funds".

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as any capital purchase, donation or dedication of land, infrastructure, buildings and/or equipment that exceeds \$5,000 for a single acquisition.

CITY OF LOWELL
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Property, plant, and equipment of the City are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Equipment	10
Buildings	20
Infrastructure	40

Long-term Obligations

General obligation bonds and other revolving loans, issued for sewer and water system construction, are reported as long-term debts in the government-wide financial statements.

Use of Estimates

The preparation of basic financial statements in conformity with the modified cash basis requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Compliance

Budgets are prepared and adopted, and expenditures are appropriated, in accordance with Oregon Local Budget Law. Budgets are adopted on the cash-basis of accounting, which is not in conformity with generally accepted accounting principles but is an acceptable method for Oregon Municipal Corporations under Oregon Local Budget Law. All annual appropriations lapse at fiscal year-end. The City does not use encumbrance accounting.

On or before June 30 of each year, the City enacts a resolution approving the budget, appropriating expenditures, and levying property taxes. Prior to enacting this resolution, the proposed budget is presented to a budget committee consisting of City Council members and a like number of interested citizens. The budget committee presents the budget to the City Council for budget hearings prior to enactment of the resolution.

The budget is prepared by fund, and line item, and includes information of the past year, current year estimates, and requested appropriations for the next fiscal year. Expenditures may not exceed legally budgeted appropriations at the level of programs, or alternatively, materials and services, personal services, capital outlay, debt service, transfers out, or other expenditures for each fund.

B. Property Taxes

Lane County makes all assessments of property value and levies and collects the taxes for the City. Assessments of property values are as of January 1 of each year. Real property taxes are levied and attached as an enforceable lien on property on July 1. Taxes are payable in three installments on November 15, February 15, and May 15.

CITY OF LOWELL
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 For the Year Ended June 30, 2023

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A 3% discount is allowed for payment in full on November 15. Property taxes unpaid and outstanding on May 16 are considered delinquent.

For the current year the City Levied taxes at the rate of 2.1613 Per \$1,000 of assessed value within the City Limits. Measure 50 establishes the permanent rate and allows for an increase of the assessed value of 3% per year.

3. CASH AND INVESTMENTS

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

Cash in bank	\$	893,385
Cash on hand		250
Local government investment pool (LGIP)		789,054
Total		\$ 1,682,689

Deposits

Deposits with financial institutions are comprised of bank demand deposits. Total bank balances of the checking accounts as shown on the banks' records at year-end were \$905,667. The amount in the LGIP was \$789,054.

Custodial credit risk – deposits: This is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. In order to minimize this risk, the State of Oregon established the Public Funds Collateralization Program (PFCP).

PFCP is an application created by the Office of the State Treasurer (OST) to facilitate bank depository, custodian and public official compliance with Oregon Revised Statutes (ORS) 295 effective on July 1, 2008. Requirements described on the PFCP for depository banks, custodian banks and local governments are set forth as the following:

Banks are required to report quarterly to the State Treasurer, providing quarter-end public funds balance in excess of the FDIC limits, net worth, and FDIC capitalization information. The FDIC assigns each bank with a capitalization category quarterly, either well capitalized, adequately capitalized or undercapitalized. The PFCP calculates, based on this information, the bank's minimum collateral (maximum liability) that must be pledged with the custodian for the next quarter. The maximum liability is reported to the bank, OST and custodian.

The custodian banks hold the collateral pledged by the banks. OST provides the custodian the maximum liability for each bank. Banks will request security pledges, releases and substitutions through the PFCP. The custodian will process the transactions as approved by OST and maintain an inventory of pledged securities. OST will monitor that adequate collateral is pledged at all times and that all banks comply with the requirements of ORS.

Public officials are required to verify that deposit accounts in excess of deposit insurance limits are only maintained at financial institutions included on the list of qualified depositories found on the OST's website. Public officials are also required to report at least annually, or within 10 days of a change, the banks they do business with, and contact information for the public official. It is the responsibility of the public official to ensure compliance with these requirements in order to eliminate personal liability in the event of a bank loss.

The City's depository bank was listed on the Treasurer's website, "Qualified Depositories for Public Funds", throughout the fiscal year.

CITY OF LOWELL

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2023

3. CASH AND INVESTMENTS (continued)

Investments

The only investments held by the City at June 30th were funds in the LGIP, which is part of the Oregon Short-Term Fund (OSTF). The OSTF is a cash and investment pool available for use by all state agencies and eligible local governments. The LGIP is an open-ended, no-load diversified portfolio offered to eligible participants who by law are made custodian of, or have control over, any public funds. The City's investment in the LGIP is carried at cost, which approximates fair value. The State of Oregon's investment policies used in administering the LGIP are governed by statute and the Oregon Investment Council (the Council). The State Treasurer is the investment officer for the Council and is responsible for the funds on deposit in the state treasury.

The OST's investments in short-term securities are limited by the portfolio rules established by the OSTF Board and the Council. In accordance with Oregon statutes, the investments funds are invested, and the investments of those funds managed, as a prudent investor would do – exercising reasonable care, skill, and caution. The LGIP's Portfolio rules provide that broker/dealers meet certain qualifications and that investments are delivered to and held by a third-party custodian that hold the securities in the State of Oregon's name. The LGIP is not registered with the Securities Exchange Commission and is not rated.

4. CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Reclassification	Ending Balance
Governmental Activities:					
Not being depreciated					
Land	\$ 2,735,911	\$ -	\$ (53,993)	\$ -	\$ 2,681,918
Property acquired for resale	308,935	-	(308,935)	-	-
Construction in progress	247,126	1,192	(217,172)	-	31,146
Total	<u>3,291,972</u>	<u>1,192</u>	<u>(580,100)</u>	<u>-</u>	<u>2,713,064</u>
Being Depreciated					
Buildings	431,437	585,910	-	-	1,017,347
Infrastructure	1,657,535	719,752	-	-	2,377,287
Furnishings and equipment	34,935	57,136	-	-	92,071
Vehicles and rolling stock	52,147	-	-	-	52,147
Total	<u>2,176,054</u>	<u>1,362,798</u>	<u>-</u>	<u>-</u>	<u>3,538,852</u>
Accumulated depreciation					
Buildings	205,792	32,839	-	-	238,631
Infrastructure	474,845	56,795	-	-	531,640
Furnishings and equipment	12,490	6,862	-	-	19,352
Vehicles and rolling stock	21,940	5,207	-	-	27,147
Total	<u>715,067</u>	<u>101,703</u>	<u>-</u>	<u>-</u>	<u>816,770</u>
Governmental Capital Assets, Net	<u>\$ 4,752,959</u>	<u>\$ 1,262,287</u>	<u>\$ (580,100)</u>	<u>\$ -</u>	<u>\$ 5,435,146</u>

CITY OF LOWELL
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

4. CAPITAL ASSETS (continued)

Business-type Activities:	Beginning Balance	Additions	Deletions	Reclassification	Ending Balance
Not being depreciated					
Land	\$ 92,179	\$ -	\$ -	\$ -	\$ 92,179
Construction in progress	-	-	-	-	-
Total	<u>92,179</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,179</u>
Being Depreciated					
Buildings	124,989	-	-	-	124,989
Infrastructure	9,211,303	489,091	-	76,431	9,776,825
Furnishings and equipment	200,352	9,287	-	(76,431)	133,208
Vehicles and rolling stock	55,846	-	-	-	55,846
Total	<u>9,592,490</u>	<u>498,378</u>	<u>-</u>	<u>-</u>	<u>10,090,868</u>
Accumulated depreciation					
Buildings	66,203	3,796	-	-	69,999
Infrastructure	5,354,223	212,241	-	-	5,566,464
Furnishings and equipment	114,160	9,864	-	-	124,024
Vehicles and rolling stock	27,531	4,356	-	-	31,887
Total	<u>5,562,117</u>	<u>230,258</u>	<u>-</u>	<u>-</u>	<u>5,792,375</u>
Business-type Capital Assets, Net					
	<u>\$ 4,122,552</u>	<u>\$ 268,120</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,390,672</u>

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

Function/Activites	Governmental Activities	Business-type Activities
General Government	\$ 21,246	
Highways and streets	57,351	
Library	12,020	
Culture and recreation	11,086	
Water		111,278
Sewer		118,981
Total depreciation expense	<u>\$ 101,703</u>	<u>\$ 230,258</u>

CITY OF LOWELL

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2023

5. LONG TERM DEBT

The following table represents changes in long-term debt for governmental and business-type activities, followed by descriptions of each note payable.

	Fund	Balance 06/30/22	Additions	Repayment	Balance 06/30/23	Due within one year
Governmental Activities:						
Gov't Capital Corp - Library/Park (256156)	General	\$ 476,431	\$ -	19,445	\$ 456,986	\$ 20,298
Gov't Capital Corp - E Main St (263007)	General	307,978	-	307,978	-	-
Business Oregon - SPWF (L21001)	Water/Street	79,679	-	3,426	76,253	3,502
Business Oregon - SPWF (L22010)	General	-	230,224	-	230,224	9,697
Total governmental activities:		<u>\$ 864,088</u>	<u>\$ 230,224</u>	<u>\$ 330,849</u>	<u>\$ 763,463</u>	<u>\$ 33,497</u>
Business-type Activities:						
Business Oregon - Pioneer St. Reloc (J05001)	Water/Sewer	47,598	-	4,962	42,636	5,218
USDA RUS - Water Revenue Loan (RUS 91-03)	Water	797,161	-	17,458	779,703	17,938
Business Oregon - SPWF (L21001)	Water/Street	177,746	-	7,645	170,101	7,811
Subtotal Water Fund		<u>1,022,505</u>	<u>-</u>	<u>30,065</u>	<u>992,440</u>	<u>30,967</u>
Business Oregon - Drinking Water (G02002)	Sewer	150,690	-	23,801	126,889	23,981
Business Oregon - Pioneer St. Reloc (J05001)	Water/Sewer	47,598	-	4,961	42,637	5,219
USDA RUS - Water Revenue Loan (RUS 92-05)	Sewer	318,693	-	6,980	311,713	7,172
Subtotal Sewer Fund		<u>516,981</u>	<u>-</u>	<u>35,742</u>	<u>481,239</u>	<u>36,372</u>
Total business-type activities:		<u>\$ 1,539,486</u>	<u>\$ -</u>	<u>\$ 65,807</u>	<u>\$ 1,473,679</u>	<u>\$ 67,339</u>

Long-term debt service requirements are as follows:

Year Ending June 30,	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2024	33,497	24,050	57,547	67,339	44,175	111,514
2025	32,011	25,536	57,547	68,929	41,635	110,564
2026	33,176	24,371	57,547	70,580	39,035	109,615
2027	34,387	23,160	57,547	72,291	36,373	108,664
2028	35,646	21,901	57,547	79,067	33,646	112,713
2029-2033	198,927	88,807	287,734	224,801	138,051	362,852
2034-2038	238,813	48,921	287,734	224,664	108,639	333,303
2039-2043	104,594	11,411	116,005	232,411	78,018	310,429
2044-2048	52,412	3,273	55,685	228,212	47,408	275,620
2049-2053	-	-	-	205,385	14,278	219,663
Total	<u>\$ 763,463</u>	<u>\$ 271,430</u>	<u>\$ 1,034,893</u>	<u>\$ 1,473,679</u>	<u>\$ 581,258</u>	<u>\$ 2,054,937</u>

WASTEWATER PROJECT LOAN – G02002

On December 4, 2002, the City was granted a loan for Phase I of its Water/Wastewater construction project in the amount of \$425,000 from the State of Oregon Economic and Community Development Department (OECD). Proceeds in the amount of \$161,939 were received during the 2002-03 fiscal year, with the remaining loan proceeds of \$263,061 received during the 2003-2004 fiscal year. The loan agreement requires 25 annual payments, carries an interest rate of 5.35% and a maturity date of December 1, 2027. The balance of the loan at June 30, 2023 was \$126,889.

CITY OF LOWELL
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

5. LONG TERM DEBT (continued)

PIONEER STREET RELOCATION PROJECT LOAN – J05001

On May 11, 2005, the City was granted a loan from the Pioneer Street Water/Sewer Line Relocation Project in the amount of \$200,000 from the State of Oregon Economic and Community Development Department (OECCDD). The loan principal is split between the Water and Sewer Funds equally. The loan agreement requires 24 annual payments of \$14,845, carries an interest rate of 5.17% and maturity date of December 1, 2029. The balance of the loan at June 30, 2023 was \$85,273 apportioned \$42,636 to the Water Fund and \$42,637 to the Sewer Fund.

WATER REVENUE LOAN – RUS 91-03

On April 6, 2012, the City was granted a Water Revenue Loan in the amount of \$948,000 from the United States Department of Agriculture, Rural Development Utilities Services (RUS). The loan financed improvements to the water system including capital improvements to the water treatment facility, construction of a water storage reservoir and extending water service lines. The loan agreement requires 40 annual payments of \$39,380, carries an interest rate of 2.75% and a maturity date of April 6, 2052. The balance of the loan at June 30, 2023 was \$779,703.

SEWER REVENUE LOAN – RUS 92-05

On April 6, 2012, the City was granted a Sewer Revenue Loan in the amount of \$379,000 from the United States Department of Agriculture, Rural Development Utilities Services (RUS). The loan financed capital improvements to the sewer system including extending sewer service lines. The loan agreement requires 40 annual payments of \$15,744, carries an interest rate of 2.75% and a maturity date of April 6, 2052. The balance of the loan at June 30, 2023 was \$311,713.

LIBRARY/ CITY HALL AND ROLLING ROCK PARK IMPROVEMENTS - 256156

On April 25, 2019, the City was secured a note in the amount of \$530,000 from Government Capital Corporation. The note financed the purchase of property intended to be the future home of the City of Lowell Library, temporary location for Lowell City Hall, as well as an expansion of Rolling Rock Park with the addition of three adjacent parcels of property. The terms of the note require 20 annual payments of \$40,346, carries an interest rate of 4.387% and a maturity date of April 25, 2039. The balance of the loan at June 30, 2023 was \$456,986.

205 AND 295 E MAIN STREET PURCHASE - 263007

On September 24, 2020, the City secured a note in the amount of \$307,978 from Government Capital Corporation. The note financed the purchase of two properties intended for resale. These properties are in an area identified as Downtown Commercial in the Lowell Downtown Master Plan and are intended to be sold for commercial development. This is a short-term note requiring interest only payments until maturity, carries an interest rate of 2.6% and an extended maturity date of September 22, 2023. This loan was paid in full as of June 30, 2023.

MAIN STREET AND LAKEVIEW WATER LINE AND STREET IMPROVEMENTS – L21001

On November 22, 2020, the City secured a loan in the amount of \$268,450 from the State of Oregon, Infrastructure Finance Authority, Special Public Works Fund. The loan was part of the \$556,269 improvement project which consisted of Oregon Department of Transportation Special City Allotment Grants (\$200,000), city participation (\$87,819) and this loan. The loan principal is split with 69.0476% in the Water Fund and 30.9524% in the Street Fund. The terms of the note require 20 annual payments of \$16,708, carries an interest rate of 2.19% and a maturity date of December 1, 2040. The balance of the loan at June 30, 2023 was \$246,354.

CITY OF LOWELL

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2023

5. LONG TERM DEBT (continued)

LIBRARY/ CITY HALL IMPROVEMENTS – L22010

On May 11, 2022, the City secured a loan in the amount of \$230,224 from the State of Oregon, Infrastructure Finance Authority, Special Public Works Fund. The loan was part of the \$643,045 improvement project which consisted of Ford Foundation Grants (\$191,466), American Rescue Plan Act Grants (\$142,198), Lane County, Oregon Grants (\$50,000), Community donations from the Library Capital Campaign (\$25,187), City contributions of (\$3,970), and this loan. The terms of the note require 25 annual payments of \$12,029, beginning December 1, 2023, carries an interest rate of 2.17% and a maturity date of December 1, 2047. The balance of the loan at June 30, 2023 was \$230,224.

6. PENSION PLAN

A. Plan Description

The City contributes to the State of Oregon Public Employees Retirement System (PERS), a cost-sharing multiple-employer defined benefit pension plan administered by the Oregon Public Employees Retirement System. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The Oregon Public Retirement Fund (OPERF) applies to the city's contribution for qualifying employees who were hired before August 29, 2003. Oregon Revised Statute 238 assigns the authority to establish and amend benefit provisions to the PERS Board of Trustees and the state legislature.

In 2003 legislative session, the Oregon Legislative Assembly created a successor plan for PERS. The Oregon Public Service Retirement Plan (OPSRP) is effective for all new employees hired on or after August 23, 2003 and applies to any inactive PERS members who return to employment following six month or greater break in service. The new plan consists of a defined benefit program (Pension Program) and a defined contribution portion (the Individual Account Program or "IAP"). The Pension Program portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service and a factor that varies based on type of service (general versus police or fire).

Beginning January 1, 2004, all PERS member's contributions go into the IAP portion of OPSRP. PERS members retain their existing PERS accounts, but any future member contributions are deposited into the member's IAP, not the member's PERS account. Those employees who had established a PERS membership prior to creation of OPSRP will be members of both the PERS and OPSRP system as long as they remain in covered employment.

Both PERS and OPSRP are administered by the Oregon Public Employees Retirement Board (OPERB). The comprehensive annual financial report for the funds administered by the OPERB may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700 Tigard, Oregon 97281-3700, by calling (503) 598-7377, or by accessing the PERS website at www.pers.state.or.us.

B. Funding Policy

Members of PERS are required to contribute 6.00% of their salary covered under the plan, which is invested in the OPSRP Individual Account Program. The City is required by ORS 238.225 to contribute at an actuarially determined rate for all the qualifying employees under the OPERF plan, and a general service rate for the qualifying employees under the OPSRP plan. The OPERF plan and a general service rate for the qualifying employees under the OPSRP plan. The OPERF and OPSRP rates in effect for the year ended June 30, 2023 were 24.70% and 19.63% respectively.

CITY OF LOWELL
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

6. PENSION PLAN (continued)

The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

C. Annual Pension Cost

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

For the year ended June 30, 2023, the City’s annual pension cost of \$93,013 was equal to the required and actual contributions of the City. The required contribution was determined as part of the December 31, 2019 actuarial valuation using the entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) a rate of return on the investment of present and future assets of 7.2% per year, (b) projected salary increases of 3.5% per year attributable to general wage adjustments, with additional increases for promotion and longevity that vary by age and service, (c) projected automatic cost-of-living benefit increases of 3.5% per year, and (d) CPI increases of 2.5% per year, and demographic assumptions that were chosen to reflect the best estimate of emerging experience of the members of the System.

D. Three-year Trend Information

Three-year trend information for the City of Lowell is as follows:

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2021	\$ 67,492	100%	\$ -
6/30/2022	\$ 79,457	100%	\$ -
6/30/2023	\$ 93,013	100%	\$ -

7. CONTINGENCIES

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

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

8. RISK MANAGEMENT

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

CITY OF LOWELL

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2023

8. RISK MANAGEMENT (continued)

CIS was established in 1981 by the League of Oregon Cities (LOC) and the Association of Oregon counties (AOC) to provide risk management services including insurance and loss control to member entities. CIS is itself a governmental entity and works exclusively for the benefit of Oregon cities and counties. CIS's primary objective is to aggregate the collective buying power of members to reduce and stabilize the cost of funding those risks. The pool self-insures members up to a pre-set limit. Member rates are set based on experience and the city is potentially liable for its pro rate share of pool losses or eligible for a pro rate share of pool net income. In the event that a single loss or series of losses should exceed the amount of protection afforded by the pool or other insurance carried by CIS, then payment of losses is the obligation of the individual member against whom the claim(s) were made. Premiums paid into the pool are recognized as expenditure when paid. The amount of any future claims or refunds cannot be ascertained.

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

9. PENDING LITIGATION

East 1ST Street - Water Main

On November 16, 2022 a contractor ruptured a water main on East 1st Street while installing communication lines for a telecommunications company. The water main damaged a 300-foot section of the road, along with sewer and storm drain lines. The City's Engineer, Civil West Engineering, estimates the cost to repair the street and underlying infrastructure at \$529,672. Emergency repair, equipment materials and labor for the emergency waterline and other related costs totaled \$37,986. In addition, the City has received claims from four property owners whose properties were damaged from the water main rupture as well as a claim from a contractor the City hired to complete emergency repairs. The City's insurance company denied all five claims based on their determination that the City was not responsible for the water main rupture and resulting damages. The City has hired outside legal counsel to represent the City in potential litigation on this matter. The outcome of the litigation cannot presently be determined.

205 East Main Street – Underground Storage Tank

In 2020, the city purchased 205 E. Main Street and 295 E. Main Street. The city's intention for purchasing the properties was to consolidate them and sell them for commercial development to implement the vision of the "2019 Downtown Master Plan." As part of the city's contract to sell the properties, the city agreed to perform a Phase 1 environmental site assessment. The Phase 1 assessment was completed in December 2021, and it advised the city to perform a Phase 2 environmental site assessment based on the high likelihood that one or more underground storage tanks were present on the property. A Phase 2 assessment, completed in March 2022, verified that underground storage tanks were on the property. In June 2022, the city hired a contractor to decommission the two 200-gallon underground storage tanks on the property. Finally, in March 2023, the city obtained a conditional "no further action" letter from the Oregon Department of Environmental Quality. On March 28, 2023, upon receiving the "no further action" letter, the city finally completed the sale of the property. The city incurred \$32,190 in performing remedial actions on the property necessary to prepare it for sale. The city has hired outside legal counsel to represent the city in potential litigation to recover the city's remedial action costs. The outcome of the litigation cannot presently be determined.

SUPPLEMENTARY INFORMATION

CITY OF LOWELL
Combining Balance Sheet
Other Governmental Funds
Modified Cash Basis
For the Year Ended June 30, 2023

	Blackberry Jam Festival Fund	Parks SDC Fund	Streets SDC Fund	Stormwater SDC Fund	Total Other Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 13,759	\$ 105,232	\$ 81,858	\$ 85,325	\$ 286,174
Other current assets	-	-	-	-	-
Total assets	<u>\$ 13,759</u>	<u>\$ 105,232</u>	<u>\$ 81,858</u>	<u>\$ 85,325</u>	<u>\$ 286,174</u>
LIABILITIES, AND FUND BLANCES					
Liabilities:					
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Equity:					
Restricted	-	105,232	81,858	85,325	272,415
Assigned	13,759	-	-	-	13,759
Total fund balances	<u>13,759</u>	<u>105,232</u>	<u>81,858</u>	<u>85,325</u>	<u>286,174</u>
Total liabilities and fund balances	<u>\$ 13,759</u>	<u>\$ 105,232</u>	<u>\$ 81,858</u>	<u>\$ 85,325</u>	<u>\$ 286,174</u>

CITY OF LOWELL
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
Modified Cash Basis
For the Year Ended June 30, 2023

	Blackberry Jam Festival Fund	Parks SDC Fund	Streets SDC Fund	Stormwater SDC Fund	Total Other Governmental Funds
REVENUES					
SDC Fees	\$ -	\$ 19,655	\$ 11,840	\$ 14,531	\$ 46,026
Investment earnings	2	1,787	1,383	1,441	4,613
Miscellaneous	220	-	-	-	220
Fundraising and event receipts	12,950	-	-	-	12,950
Total Revenues	13,172	21,442	13,223	15,972	63,809
EXPENDITURES					
Current:					
Parks	-	5,743	-	-	5,743
Blackberry Jam Festival	13,237	-	-	-	13,237
Total Expenditures	13,237	5,743	-	-	18,980
Excess (deficiency) of revenues over expenditures	(65)	15,699	13,223	15,972	44,829
Net change in fund balances	(65)	15,699	13,223	15,972	44,829
Fund balances - beginning	13,824	89,533	68,635	69,353	241,345
Fund balances - ending	\$ 13,759	\$ 105,232	\$ 81,858	\$ 85,325	\$ 286,174

CITY OF LOWELL
Combining Balance Sheet Water Funds
Modified Cash Basis
For the Year Ended June 30, 2023

	Water Fund	Water SDC Fund	Water Reserve Fund	Total Water Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 79,269	\$ 438,835	\$ 40,352	\$ 558,456
Other current assets	-	-	-	-
Total current assets	<u>79,269</u>	<u>438,835</u>	<u>40,352</u>	<u>558,456</u>
Non-current assets:				
Capital assets:				
Land	81,179	-	-	81,179
Buildings and facilities	35,875	-	-	35,875
Equipment and furnishings	40,027	-	-	40,027
Vehicles and rolling stock	34,066	-	-	34,066
Infrastructure	4,817,522	-	-	4,817,522
Less accumulated depreciation	(2,583,260)	-	-	(2,583,260)
Total non-current assets	<u>2,425,409</u>	<u>-</u>	<u>-</u>	<u>2,425,409</u>
Total assets	<u>\$ 2,504,678</u>	<u>\$ 438,835</u>	<u>\$ 40,352</u>	<u>\$ 2,983,865</u>
LIABILITIES				
Current liabilities:				
Utility deposits	41,140	-	-	41,140
Utility donations	1,110	-	-	1,110
Notes payable - current	30,968	-	-	30,968
Total current liabilities	<u>73,218</u>	<u>-</u>	<u>-</u>	<u>73,218</u>
Non-current liabilities:				
Notes payable - noncurrent	961,473	-	-	961,473
Total non-current liabilities	<u>961,473</u>	<u>-</u>	<u>-</u>	<u>961,473</u>
Total liabilities	<u>1,034,691</u>	<u>-</u>	<u>-</u>	<u>1,034,691</u>
NET POSITION				
Net investment in capital assets	1,432,968	-	-	1,432,968
Restricted for:				
Debt service	-	-	40,352	40,352
Capital projects (SDC)	-	438,835	-	438,835
Unrestricted	37,019	-	-	37,019
Total net position	<u>\$ 1,469,987</u>	<u>\$ 438,835</u>	<u>\$ 40,352</u>	<u>\$ 1,949,174</u>

CITY OF LOWELL
Combining Statement of Revenues, Expenditures and Changes in Fund Net Position Water Funds
Modified Cash Basis
For the Year Ended June 30, 2023

	Water Fund	Water SDC Fund	Water Reserve Fund	Water Operating Fund
OPERATING REVENUES				
Charges for services	\$ 393,126	\$ -	\$ -	\$ 393,126
Operating grants	18,301	-	-	18,301
Reimbursement SDC's	14,900	-	-	14,900
Other revenues	4,750	-	-	4,750
Total operating revenues	<u>431,077</u>	<u>-</u>	<u>-</u>	<u>431,077</u>
OPERATING EXPENSES				
Personal services	192,970	-	-	192,970
Contractual services	43,206	22,700	-	65,906
Utilities	23,069	-	-	23,069
Repairs and maintenance	36,996	-	-	36,996
Office supplies and expenses	22,052	-	-	22,052
Other operating expenses	46,202	206	-	46,408
Depreciation	111,278	-	-	111,278
Total operating expenses	<u>475,773</u>	<u>22,906</u>	<u>-</u>	<u>498,679</u>
Operating income (loss)	<u>(44,696)</u>	<u>(22,906)</u>	<u>-</u>	<u>(67,602)</u>
NON-OPERATING REVENUES (EXPENSES):				
Investment revenue	159	9,008	895	10,062
Miscellaneous revenue	3,607	-	-	3,607
Interest expense	(28,275)	-	-	(28,275)
Total non-operating revenues (expenses)	<u>(24,509)</u>	<u>9,008</u>	<u>895</u>	<u>(14,606)</u>
Net income (loss) before contributions and transfers	(69,205)	(13,898)	895	(82,208)
CAPITAL CONTRIBUTIONS:				
Capital grants	231,271	-	-	231,271
SDC Fees	-	76,600	-	76,600
Capital contributions	<u>231,271</u>	<u>76,600</u>	<u>-</u>	<u>307,871</u>
Change in net position	<u>162,066</u>	<u>62,702</u>	<u>895</u>	<u>225,663</u>
Net position - beginning	<u>1,307,921</u>	<u>376,133</u>	<u>39,457</u>	<u>1,723,511</u>
Net position - ending	<u>\$ 1,469,987</u>	<u>\$ 438,835</u>	<u>\$ 40,352</u>	<u>\$ 1,949,174</u>

CITY OF LOWELL
Combining Statement of Cash Flows Water Funds
Modified Cash Basis
For the Year Ended June 30, 2023

	Water Fund	Water SDC Fund	Water Reserve Fund	Water Operating Fund
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 412,776	\$ -	\$ -	\$ 412,776
Other operating receipts	18,301	-	-	18,301
Payments to employees	(192,970)	-	-	(192,970)
Payments to suppliers	(171,525)	(22,906)	-	(194,431)
Increase (decrease) in cash deposits	2,498	-	-	2,498
Net cash provided (used) by operating activities	<u>69,080</u>	<u>(22,906)</u>	<u>-</u>	<u>46,174</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Other receipts	3,607	-	-	3,607
Net cash provided (used) by noncapital financing activities	<u>3,607</u>	<u>-</u>	<u>-</u>	<u>3,607</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital contributions - grants and fees	45,751	76,600	-	122,351
Purchases of capital assets	(61,043)	-	-	(61,043)
Principal paid on capital debt	(30,064)	-	-	(30,064)
Interest paid on capital debt	(28,275)	-	-	(28,275)
Net cash provided (used) by capital related financing activities	<u>(73,631)</u>	<u>76,600</u>	<u>-</u>	<u>2,969</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	158	9,008	894	10,060
Net cash provided (used) by investing activities	<u>158</u>	<u>9,008</u>	<u>894</u>	<u>10,060</u>
Net increase (decrease) in cash and cash equivalents	<u>(786)</u>	<u>62,702</u>	<u>894</u>	<u>62,810</u>
Cash Balances - beginning of the year	80,055	376,133	39,457	495,645
Cash Balances - end of the year	<u>\$ 79,269</u>	<u>\$ 438,835</u>	<u>\$ 40,351</u>	<u>\$ 558,455</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ (44,696)	\$ (22,906)	\$ -	\$ (67,602)
Adjustments to reconcile operating income:				
Depreciation expense	111,278	-	-	111,278
Change in assets and liabilities:				
Increase (decrease) in deposits and donations	2,250	-	-	2,250
(Increase) decrease in other cash deposits	248	-	-	248
Net cash provided (used) by operating activities	<u>\$ 69,080</u>	<u>\$ (22,906)</u>	<u>\$ -</u>	<u>\$ 46,174</u>

CITY OF LOWELL
Combining Balance Sheet Sewer Funds
Modified Cash Basis
For the Year Ended June 30, 2023

	Sewer Fund	Sewer SDC Fund	Sewer Reserve Fund	Total Sewer Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 232,419	\$ 140,993	\$ 16,071	\$ 389,483
Other current assets	-	-	-	-
Total current assets	<u>232,419</u>	<u>140,993</u>	<u>16,071</u>	<u>389,483</u>
Non-current assets:				
Capital assets:				
Land	11,000	-	-	11,000
Buildings and facilities	89,114	-	-	89,114
Equipment and furnishings	93,182	-	-	93,182
Vehicles and rolling stock	21,780	-	-	21,780
Infrastructure	4,959,303	-	-	4,959,303
Less accumulated depreciation	(3,209,116)	-	-	(3,209,116)
Total non-current assets	<u>1,965,263</u>	<u>-</u>	<u>-</u>	<u>1,965,263</u>
Total assets	<u>\$ 2,197,682</u>	<u>\$ 140,993</u>	<u>\$ 16,071</u>	<u>\$ 2,354,746</u>
LIABILITIES				
Current liabilities:				
Notes payable - current	36,371	-	-	36,371
Total current liabilities	<u>36,371</u>	<u>-</u>	<u>-</u>	<u>36,371</u>
Non-current liabilities:				
Notes payable - noncurrent	444,867	-	-	444,867
Total non-current liabilities	<u>444,867</u>	<u>-</u>	<u>-</u>	<u>444,867</u>
Total liabilities	<u>481,238</u>	<u>-</u>	<u>-</u>	<u>481,238</u>
NET POSITION				
Net investment in capital assets	1,484,025	-	-	1,484,025
Restricted for:				
Debt service	-	-	16,071	16,071
Capital projects (SDC)	-	140,993	-	140,993
Unrestricted	232,419	-	-	232,419
Total net position	<u>\$ 1,716,444</u>	<u>\$ 140,993</u>	<u>\$ 16,071</u>	<u>\$ 1,873,508</u>

CITY OF LOWELL
Combining Statement of Revenues, Expenditures and Changes in Fund Net Position Sewer Funds
Modified Cash Basis
For the Year Ended June 30, 2023

	Sewer Fund	Sewer SDC Fund	Sewer Reserve Fund	Sewer Operating Fund
OPERATING REVENUES				
Charges for services	\$ 452,693	\$ -	\$ -	\$ 452,693
Reimbursement SDC's	12,360	-	-	12,360
Other revenues	2,185	-	-	2,185
Total operating revenues	<u>472,763</u>	<u>-</u>	<u>-</u>	<u>472,763</u>
OPERATING EXPENSES				
Personal services	192,986	-	-	192,986
Contractual services	31,900	13,629	-	45,529
Utilities	47,686	-	-	47,686
Repairs and maintenance	21,752	-	-	21,752
Office supplies and expenses	22,528	-	-	22,528
Other operating expenses	56,718	-	-	56,718
Depreciation	118,981	-	-	118,981
Total operating expenses	<u>492,551</u>	<u>13,629</u>	<u>-</u>	<u>506,180</u>
Operating income (loss)	<u>(19,788)</u>	<u>(13,629)</u>	<u>-</u>	<u>(33,417)</u>
NON-OPERATING REVENUES (EXPENSES):				
Investment revenue	2,637	2,036	299	4,972
Miscellaneous revenue	1,862	-	-	1,862
Interest expense	(18,383)	-	-	(18,383)
Total non-operating revenues (expenses)	<u>(13,884)</u>	<u>2,036</u>	<u>299</u>	<u>(11,549)</u>
Net income (loss) before contributions and transfers	<u>(33,672)</u>	<u>(11,593)</u>	<u>299</u>	<u>(44,966)</u>
CAPITAL CONTRIBUTIONS:				
Capital contributions	<u>250,340</u>	<u>20,349</u>	<u>-</u>	<u>270,689</u>
Change in net position	<u>216,668</u>	<u>8,756</u>	<u>299</u>	<u>225,723</u>
Net position - beginning	<u>1,499,775</u>	<u>132,238</u>	<u>15,772</u>	<u>1,647,785</u>
Net position - ending	<u>\$ 1,716,443</u>	<u>\$ 140,994</u>	<u>\$ 16,071</u>	<u>\$ 1,873,508</u>

CITY OF LOWELL
Combining Statement of Cash Flows Sewer Funds
Modified Cash Basis
For the Year Ended June 30, 2023

	Sewer Fund	Sewer SDC Fund	Sewer Reserve Fund	Sewer Operating Fund
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 467,238	\$ -	\$ -	\$ 467,238
Other operating receipts	5,525	-	-	5,525
Payments to employees	(192,986)	-	-	(192,986)
Payments to suppliers	(180,584)	(13,629)	-	(194,213)
Increase (decrease) in cash deposits	1,775	-	-	1,775
Net cash provided (used) by operating activities	<u>100,968</u>	<u>(13,629)</u>	<u>-</u>	<u>87,339</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Other receipts	1,863	-	-	1,863
Net cash provided (used) by noncapital financing activities	<u>1,863</u>	<u>-</u>	<u>-</u>	<u>1,863</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital contributions - grants and fees	-	20,349	-	20,349
Purchases of capital assets	(1,475)	-	-	(1,475)
Principal paid on capital debt	(35,743)	-	-	(35,743)
Interest paid on capital debt	(18,383)	-	-	(18,383)
Net cash provided (used) by capital related financing activities	<u>(55,601)</u>	<u>20,349</u>	<u>-</u>	<u>(35,252)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	2,637	2,036	299	4,972
Net cash provided (used) by investing activities	<u>2,637</u>	<u>2,036</u>	<u>299</u>	<u>4,972</u>
Net increase (decrease) in cash and cash equivalents	49,867	8,756	299	58,922
Cash Balances - beginning of the year	182,551	132,238	15,772	330,561
Cash Balances - end of the year	<u>\$ 232,418</u>	<u>\$ 140,994</u>	<u>\$ 16,071</u>	<u>\$ 389,483</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ (19,788)	\$ (13,629)	\$ -	\$ (33,417)
Adjustments to reconcile operating income:				
Depreciation expense	118,981	-	-	118,981
Change in assets and liabilities:				
(Increase) decrease in other cash deposits	1,775	-	-	1,775
Net cash provided (used) by operating activities	<u>\$ 100,968</u>	<u>\$ (13,629)</u>	<u>\$ -</u>	<u>\$ 87,339</u>

CITY OF LOWELL
Budget and Actual (with Variances)
General Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 178,646	\$ 178,646	187,987	\$ 9,341
Intergovernmental	43,700	43,700	40,393	(3,307)
Grants	843,301	843,301	166,837	(676,464)
Franchise fees	108,686	108,686	103,436	(5,250)
Licenses and permits	19,795	19,795	21,460	1,665
Charges for services	9,737	9,737	6,280	(3,457)
Reimbursement SDC fees	940	940	940	-
Fees and fines	5,000	5,000	6,365	1,365
Investment earnings	1,252	1,252	2,327	1,075
Miscellaneous	14,300	14,300	10,828	(3,472)
Total Revenues	1,225,357	1,225,357	546,853	(678,504)
EXPENDITURES				
Current:				
General government	329,276	329,276	257,362	71,914
Parks	852,861	842,454	77,145	765,309
Public safety	29,530	33,700	33,663	37
Community development	66,591	146,208	123,426	22,782
Library	416,550	416,550	372,898	43,652
Code enforcement	8,312	8,312	6,974	1,338
Tourism	10,586	10,586	1,223	9,363
Municipal court	14,466	17,286	14,040	3,246
Debt service:				
Principal	557,651	557,651	327,423	230,228
Interest	33,907	33,907	27,574	6,333
Contingency	97,186	97,186	-	97,186
Total Expenditures	2,416,916	2,493,116	1,241,728	1,251,388
Excess (deficiency) of revenues over expenditures	(1,191,559)	(1,267,759)	(694,875)	572,884
OTHER FINANCING SOURCESS (USES)				
Proceeds from loan	230,224	230,224	230,224	-
Proceeds from disposition of assets	685,897	685,897	444,715	(241,182)
Transfers in	-	76,200	-	(76,200)
Total other financing sources and uses	916,121	992,321	674,939	(317,382)
Net change in fund balances	(275,438)	(275,438)	(19,936)	255,502
Fund balances - beginning	341,048	341,048	264,759	(76,289)
Fund balances - ending	\$ 65,610	\$ 65,610	244,823	\$ 179,213

CITY OF LOWELL
Budget and Actual (with Variances)
Parks SDC Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
SDC fees	\$ 19,700	\$ 19,700	\$ 19,655	\$ (45)
Investment earnings	200	200	1,787	1,587
Total Revenues	<u>19,900</u>	<u>19,900</u>	<u>21,442</u>	<u>1,542</u>
EXPENDITURES				
Current:				
Materials and services	10,000	10,000	5,743	4,257
Capital outlay	80,313	80,313	-	80,313
Total Expenditures	<u>90,313</u>	<u>90,313</u>	<u>5,743</u>	<u>84,570</u>
Excess (deficiency) of revenues over expenitures	<u>(70,413)</u>	<u>(70,413)</u>	<u>15,699</u>	<u>86,112</u>
Net change in fund balances	(70,413)	(70,413)	15,699	86,112
Fund balances - beginning	<u>88,493</u>	<u>88,493</u>	<u>89,533</u>	<u>1,040</u>
Fund balances - ending	<u><u>\$ 18,080</u></u>	<u><u>\$ 18,080</u></u>	<u><u>\$ 105,232</u></u>	<u><u>\$ 87,152</u></u>

CITY OF LOWELL
Budget and Actual (with Variances)
Street Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 91,464	\$ 91,464	\$ 95,385	\$ 3,921
Reimbursement SDC fees	2,080	2,080	2,080	-
Investment earnings	211	211	1,676	1,465
Miscellaneous	-	-	-	-
Total Revenues	<u>93,755</u>	<u>93,755</u>	<u>99,141</u>	<u>5,386</u>
EXPENDITURES				
Current:				
Personal services	25,987	25,987	22,643	3,344
Materials and services	67,295	67,295	39,653	27,642
Debt service:				
Principal	3,427	3,427	3,427	-
Interest	1,745	1,745	1,745	-
Capital outlay	75,000	75,000	12,667	62,333
Contingency	10,819	10,819	-	10,819
Total Expenditures	<u>184,273</u>	<u>184,273</u>	<u>80,135</u>	<u>104,138</u>
Excess (deficiency) of revenues over expenitures	<u>(90,518)</u>	<u>(90,518)</u>	<u>19,006</u>	<u>109,524</u>
Net change in fund balances	(90,518)	(90,518)	19,006	109,524
Fund balances - beginning	<u>101,288</u>	<u>101,288</u>	<u>111,798</u>	<u>10,510</u>
Fund balances - ending	<u>\$ 10,770</u>	<u>\$ 10,770</u>	<u>\$ 130,804</u>	<u>\$ 120,034</u>

CITY OF LOWELL
Budget and Actual (with Variances)
Streets SDC Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
SDC fees	\$ 11,840	\$ 11,840	\$ 11,840	\$ -
Investment earnings	150	150	1,383	(1,233)
Total Revenues	<u>11,990</u>	<u>11,990</u>	<u>13,223</u>	<u>(1,233)</u>
EXPENDITURES				
Current:				
Materials and services	15,000	15,000	-	15,000
Capital outlay	60,260	60,260	-	60,260
Total Expenditures	<u>75,260</u>	<u>75,260</u>	<u>-</u>	<u>75,260</u>
Excess (deficiency) of revenues over expenitures	<u>(63,270)</u>	<u>(63,270)</u>	<u>13,223</u>	<u>(76,493)</u>
Net change in fund balances	(63,270)	(63,270)	13,223	76,493
Fund balances - beginning	<u>68,006</u>	<u>68,006</u>	<u>68,635</u>	<u>629</u>
Fund balances - ending	<u><u>\$ 4,736</u></u>	<u><u>\$ 4,736</u></u>	<u><u>\$ 81,858</u></u>	<u><u>\$ 77,122</u></u>

CITY OF LOWELL
Budget and Actual (with Variances)
Stormwater SDC Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
SDC fees	\$ 13,460	\$ 13,460	\$ 14,531	\$ 1,071
Investment earnings	200	200	1,441	1,241
Total Revenues	<u>13,660</u>	<u>13,660</u>	<u>15,972</u>	<u>2,312</u>
EXPENDITURES				
Current:				
Materials and services	20,000	20,000	-	20,000
Capital outlay	40,000	40,000	-	40,000
Total Expenditures	<u>60,000</u>	<u>60,000</u>	<u>-</u>	<u>60,000</u>
Excess (deficiency) of revenues over expenitures	<u>(46,340)</u>	<u>(46,340)</u>	<u>15,972</u>	<u>(57,688)</u>
Net change in fund balances	(46,340)	(46,340)	15,972	62,312
Fund balances - beginning	<u>68,635</u>	<u>68,635</u>	<u>69,353</u>	<u>718</u>
Fund balances - ending	<u>\$ 22,295</u>	<u>\$ 22,295</u>	<u>\$ 85,325</u>	<u>\$ 63,030</u>

CITY OF LOWELL
Budget and Actual (with Variances)
Blackberry Jam Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fundraising and event receipts	\$ 16,597	\$ 16,597	\$ 12,950	\$ (3,647)
Investment earnings	10	10	2	(8)
Miscellaneous revenue	500	500	220	(280)
Total Revenues	<u>17,107</u>	<u>17,107</u>	<u>13,172</u>	<u>(3,935)</u>
EXPENDITURES				
Current:				
Materials and services	23,142	23,142	13,237	9,905
Contingency	-	-	-	-
Total Expenditures	<u>23,142</u>	<u>23,142</u>	<u>13,237</u>	<u>9,905</u>
Excess (deficiency) of revenues over expenitures	<u>(6,035)</u>	<u>(6,035)</u>	<u>(65)</u>	<u>5,970</u>
Net change in fund balances	(6,035)	(6,035)	(65)	5,970
Fund balances - beginning	<u>11,042</u>	<u>11,042</u>	<u>13,824</u>	<u>2,782</u>
Fund balances - ending	<u>\$ 5,007</u>	<u>\$ 5,007</u>	<u>\$ 13,759</u>	<u>\$ 8,752</u>

CITY OF LOWELL
Budget and Actual (with Variances)
Water Operating Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 468,623	\$ 468,623	\$ 393,126	\$ (75,497)
Grants	-	64,052	64,052	-
Licenses and permits	4,125	4,125	4,750	625
Reimbursement SDC fees	14,900	14,900	14,900	-
Investment earnings	273	273	159	(114)
Miscellaneous	2,000	2,000	3,607	1,607
Total Revenues	<u>489,921</u>	<u>553,973</u>	<u>480,594</u>	<u>(73,379)</u>
EXPENDITURES				
Current:				
Personal services	210,904	210,904	192,970	17,934
Materials and services	182,534	199,128	171,525	27,603
Debt service:				
Principal	30,065	30,065	30,064	1
Interest	28,276	28,276	28,275	1
Capital outlay	43,416	116,837	61,043	55,794
Contingency	20,000	14,379	-	14,379
Total Expenditures	<u>515,195</u>	<u>599,589</u>	<u>483,877</u>	<u>115,712</u>
Excess (deficiency) of revenues over expenitures	<u>(25,274)</u>	<u>(45,616)</u>	<u>(3,283)</u>	<u>42,333</u>
OTHER FINANCING SOURCESS (USES)				
Transfers in	-	20,342	-	20,342
Total other financing sources and uses	<u>-</u>	<u>20,342</u>	<u>-</u>	<u>20,342</u>
Net change in fund balances	(25,274)	(25,274)	(3,283)	21,991
Fund balances - beginning	62,044	62,044	40,302	(21,742)
Fund balances - ending	<u>\$ 36,770</u>	<u>\$ 36,770</u>	37,019	<u>\$ 249</u>
Reconciliation to net position:				
Net capital assets			2,425,409	
Long-term debt			(92,441)	
Net position, modified cash basis			<u>\$ 1,469,987</u>	

CITY OF LOWELL
Budget and Actual (with Variances)
Water SDC Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
SDC fees	\$ 76,600	\$ 76,600	\$ 76,600	\$ -
Investment earnings	500	500	9,008	8,508
Total Revenues	<u>77,100</u>	<u>77,100</u>	<u>85,608</u>	<u>8,508</u>
EXPENDITURES				
Current:				
Materials and services	80,000	80,000	22,906	57,094
Capital outlay	300,000	300,000	-	300,000
Total Expenditures	<u>380,000</u>	<u>380,000</u>	<u>22,906</u>	<u>357,094</u>
Excess (deficiency) of revenues over expenitures	<u>(302,900)</u>	<u>(302,900)</u>	<u>62,702</u>	<u>365,602</u>
Net change in fund balances	(302,900)	(302,900)	62,702	365,602
Fund balances - beginning	<u>382,697</u>	<u>382,697</u>	<u>376,133</u>	<u>(6,564)</u>
Fund balances - ending	<u><u>\$ 79,797</u></u>	<u><u>\$ 79,797</u></u>	<u><u>\$ 438,835</u></u>	<u><u>\$ 359,038</u></u>

CITY OF LOWELL
Budget and Actual (with Variances)
Water Reserve Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 10	\$ 10	\$ 895	\$ 885
Total Revenues	<u>10</u>	<u>10</u>	<u>895</u>	<u>885</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenitures	<u>10</u>	<u>10</u>	<u>895</u>	<u>885</u>
Net change in fund balances	10	10	895	885
Fund balances - beginning	<u>39,405</u>	<u>39,405</u>	<u>39,457</u>	<u>52</u>
Fund balances - ending	<u><u>\$ 39,415</u></u>	<u><u>\$ 39,415</u></u>	<u><u>\$ 40,352</u></u>	<u><u>\$ 937</u></u>

CITY OF LOWELL
Budget and Actual (with Variances)
Sewer Operating Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 450,375	\$ 489,111	\$ 452,693	\$ (36,418)
Grants	-	-	5,525	5,525
Licenses and permits	1,725	1,725	2,185	460
Reimbursement SDC fees	12,360	12,360	12,360	-
Investment earnings	662	662	2,637	1,975
Miscellaneous	1,600	1,600	1,862	262
Total Revenues	<u>466,722</u>	<u>505,458</u>	<u>477,262</u>	<u>(28,196)</u>
EXPENDITURES				
Current:				
Personal services	209,121	209,121	192,986	16,135
Materials and services	213,075	213,075	180,584	32,491
Debt service:				
Principal	35,743	35,743	35,743	-
Interest	18,384	18,384	18,383	1
Capital outlay	60,000	20,194	1,475	18,719
Contingency	20,000	2,000	-	2,000
Total Expenditures	<u>556,323</u>	<u>498,517</u>	<u>429,171</u>	<u>69,346</u>
Excess (deficiency) of revenues over expenitures	<u>(89,601)</u>	<u>6,941</u>	<u>48,091</u>	<u>41,150</u>
OTHER FINANCING SOURCESS (USES)				
Transfers out	-	(96,542)	-	(96,542)
Total other financing sources and uses	<u>-</u>	<u>(96,542)</u>	<u>-</u>	<u>(96,542)</u>
Net change in fund balances	(89,601)	(89,601)	48,091	(55,392)
Fund balances - beginning	149,181	149,181	184,327	(35,146)
Fund balances - ending	<u>\$ 59,580</u>	<u>\$ 59,580</u>	232,418	<u>\$ (20,246)</u>
Reconciliation to net position:				
Net capital assets			1,965,264	
Long-term debt			(481,238)	
Net position, modified cash basis			<u>\$ 1,716,444</u>	

CITY OF LOWELL
Budget and Actual (with Variances)
Sewer SDC Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
SDC fees	\$ 21,420	\$ 21,420	\$ 20,349	\$ (1,071)
Investment earnings	500	500	2,035	1,535
Total Revenues	<u>21,920</u>	<u>21,920</u>	<u>22,384</u>	<u>464</u>
EXPENDITURES				
Current:				
Materials and services	99,000	99,000	13,629	85,371
Capital outlay	35,000	35,000	-	35,000
Total Expenditures	<u>134,000</u>	<u>134,000</u>	<u>13,629</u>	<u>120,371</u>
Excess (deficiency) of revenues over expenitures	<u>(112,080)</u>	<u>(112,080)</u>	<u>8,755</u>	<u>120,835</u>
Net change in fund balances	(112,080)	(112,080)	8,755	120,835
Fund balances - beginning	<u>125,252</u>	<u>125,252</u>	<u>132,238</u>	<u>6,986</u>
Fund balances - ending	<u><u>\$ 13,172</u></u>	<u><u>\$ 13,172</u></u>	<u><u>\$ 140,993</u></u>	<u><u>\$ 127,821</u></u>

CITY OF LOWELL
Budget and Actual (with Variances)
Sewer Reserve Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 10	\$ 10	\$ 299	\$ 289
Total Revenues	10	10	299	289
Total Expenditures	-	-	-	-
Excess (deficiency) of revenues over expenitures	10	10	299	289
Net change in fund balances	10	10	299	289
Fund balances - beginning	15,754	15,754	15,772	18
Fund balances - ending	\$ 15,764	\$ 15,764	\$ 16,071	\$ 307

CITY OF LOWELL
Budget and Actual (with Variances)
Building Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Licenses and permits	\$ 71,374	\$ 71,374	\$ 96,145	\$ 24,771
Investment earnings	10	10	12	2
Total Revenues	<u>71,384</u>	<u>71,384</u>	<u>96,157</u>	<u>24,773</u>
EXPENDITURES				
Current:				
Personal services	13,567	13,567	12,185	1,382
Materials and services	79,211	79,211	72,413	6,798
Capital outlay	10,000	10,000	-	10,000
Contingency	18,750	18,750	-	18,750
Total Expenditures	<u>121,528</u>	<u>121,528</u>	<u>84,598</u>	<u>36,930</u>
Excess (deficiency) of revenues over expenitures	<u>(50,144)</u>	<u>(50,144)</u>	<u>11,559</u>	<u>61,703</u>
Net change in fund balances	(50,144)	(50,144)	11,559	61,703
Fund balances - beginning	<u>50,144</u>	<u>50,144</u>	<u>57,234</u>	<u>7,090</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,793</u>	<u>\$ 68,793</u>

STATISTICAL INFORMATION

CITY OF LOWELL
Net Position by Component
Last Ten Fiscal Years

	Fiscal Year				
	2023	2022	2021	2020	2019
Governmental Activities					
Net investment in capital assets	\$ 4,671,683	\$ 3,879,824	\$ 3,546,787	\$ 3,361,280	\$ 3,331,814
Restricted	442,494	371,055	251,163	227,067	206,457
Unrestricted	219,307	246,847	198,805	294,107	326,908
Total governmental activities net position	\$ 5,333,484	\$ 4,497,726	\$ 3,996,755	\$ 3,882,454	\$ 3,865,179
Business-type activities					
Net investment in capital assets	\$ 2,916,993	\$ 2,583,066	\$ 2,649,555	\$ 3,331,814	\$ 2,883,997
Restricted	636,251	516,633	530,533	206,457	393,482
Unrestricted	338,231	328,831	255,853	326,908	344,414
Total business-type activities net position	\$ 3,891,475	\$ 3,428,530	\$ 3,435,941	\$ 3,865,179	\$ 3,621,893
Primary Government					
Net investment in capital assets	\$ 7,588,676	\$ 6,462,890	\$ 6,196,342	\$ 6,693,094	\$ 6,215,811
Restricted	1,078,745	887,688	781,696	433,524	599,939
Unrestricted	557,538	575,678	454,658	621,015	671,322
Total primary government activities net position	\$ 9,224,959	\$ 7,926,256	\$ 7,432,696	\$ 7,747,633	\$ 7,487,072

	Fiscal Year				
	2018	2017	2016	2015	2014
Governmental Activities					
Net investment in capital assets	\$ 3,083,574	\$ 3,129,930	\$ 3,147,180	\$ 3,191,637	\$ 3,121,094
Restricted	552,152	495,677	509,972	537,810	539,039
Unrestricted	275,488	222,798	223,903	192,437	185,234
Total governmental activities net position	\$ 3,911,214	\$ 3,848,405	\$ 3,881,055	\$ 3,921,884	\$ 3,845,367
Business-type activities					
Net investment in capital assets	\$ 2,970,673	\$ 3,090,401	\$ 1,499,186	\$ 3,384,656	\$ 3,525,418
Restricted	-	-	-	-	-
Unrestricted	283,150	186,007	98,873	65,237	69,512
Total business-type activities net position	\$ 3,253,823	\$ 3,276,408	\$ 1,598,059	\$ 3,449,893	\$ 3,594,930
Primary Government					
Net investment in capital assets	\$ 6,054,247	\$ 6,220,331	\$ 4,646,366	\$ 6,576,293	\$ 6,646,512
Restricted	552,152	495,677	509,972	537,810	539,039
Unrestricted	558,638	408,805	322,776	257,674	254,746
Total primary government activities net position	\$ 7,165,037	\$ 7,124,813	\$ 5,479,114	\$ 7,371,777	\$ 7,440,297

CITY OF LOWELL
Changes in Net Position
Last Ten Fiscal Years

	2023	2022	2021	2020	2019
Program revenues:					
Governmental activities:					
Charges for services:					
General Government	\$ 6,280	\$ 11,438	\$ 3,088	\$ 5,106	\$ 5,912
Culture & Recreation	13,890	9,470	6,494	22,419	25,587
Community Development	20,493	18,336	688	73,117	175,627
Code Enforcement	967	347	981	876	806
Municipal Court	6,365	10,565	5,966	2,824	1,940
Highways & Streets	2,080	3,224	5,476	22,846	24,756
Operating grants & contributions	291,104	223,330	179,506	186,282	128,432
Capital grants & contributions	773,111	405,579	225,630	6,100	70,925
Total governmental activities program revenues	1,114,290	682,289	427,829	319,570	433,985
Business-type activities:					
Charges for services:					
Building	96,145	128,394	19,129	-	-
Water	412,776	351,731	373,237	368,132	391,598
Sewer	467,238	469,267	395,453	376,377	363,394
Operating grants & contributions	23,826	-	817	-	-
Capital grants & contributions	578,560	206,180	24,364	-	-
Total business-type activities program revenues	1,578,545	1,155,572	813,000	744,509	754,992
Total primary government program revenues	2,692,835	1,837,861	1,240,829	1,064,079	1,188,977
Expenses:					
Governmental activities:					
General Government	158,782	140,414	146,822	163,018	108,152
Culture & Recreation	212,465	133,564	112,858	116,507	109,413
Public Safety	33,663	29,453	28,968	28,123	27,300
Community Development	123,426	88,212	78,455	102,066	168,433
Code Enforcement	6,974	12,259	14,311	14,490	11,863
Tourism	1,223	3,202	2,251	2,786	7,566
Municipal Court	14,040	17,901	13,815	11,462	11,186
Highways & Streets	121,391	101,824	94,957	87,625	134,185
Total governmental activities	671,964	526,829	492,437	526,077	578,098
Business-type activities:					
Building	84,599	101,115	26,413	-	-
Water	526,955	526,635	486,159	395,706	367,124
Sewer	524,562	540,482	469,825	446,400	390,655
Total business type activities	1,136,116	1,168,232	982,397	842,106	757,779
Total primary government expenses	\$ 1,808,080	\$ 1,695,061	\$ 1,474,834	\$ 1,368,183	\$ 1,335,877
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes	\$ 187,987	\$ 183,315	\$ 155,148	\$ 150,732	\$ 147,569
Investment earnings	8,615	2,554	2,789	8,618	9,833
Other revenues	105,995	97,075	70,271	65,290	292,689
Gain (loss) on capital assets	81,788	57,860	-	-	-
Transfers in (out)	-	-	(49,299)	(858)	(352,013)
Total governmental activities	384,385	340,804	178,909	223,782	98,078
Business-type activities:					
Investment earnings	15,046	3,399	4,598	12,363	5,334
Other revenues	5,470	1,850	8,538	4,586	13,539
Gain (loss) on capital assets	-	-	-	800	(29)
Transfers in (out)	-	-	49,299	858	352,013
Total business-type activities	20,516	5,249	62,435	18,607	370,857
Total primary government	\$ 404,901	\$ 346,053	\$ 241,344	\$ 242,389	\$ 468,935
Change in Net Position					
Governmental activities	\$ 826,711	\$ 496,264	\$ 114,301	\$ 17,275	\$ (46,035)
Business-type activities	462,945	(7,411)	(106,962)	(78,990)	368,070
Total primary government	\$ 1,289,656	\$ 488,853	\$ 7,339	\$ (61,715)	\$ 322,035

CITY OF LOWELL
Changes in Net Position
Last Ten Fiscal Years

	2018	2017	2016	2015	2014
Program revenues:					
Governmental activities:					
Charges for services:					
General Government	\$ 49,458	\$ 37,100	\$ 14,909	\$ 19,799	\$ 83,382
Culture & Recreation	21,899	22,976	21,596	8,888	28,346
Community Development	-	-	-	-	-
Code Enforcement	-	-	-	-	-
Municipal Court	-	-	-	-	-
Highways & Streets	8,007	4,273	3,042	-	-
Operating grants & contributions	27,649	20,140	15,626	69,629	91,705
Capital grants & contributions	-	-	-	125,000	37,650
Total governmental activities program revenues	107,013	84,489	55,173	223,316	241,083
Business-type activities:					
Charges for services:					
Building	-	-	-	-	-
Water	308,138	274,459	250,726	233,460	219,598
Sewer	382,284	330,777	274,731	260,087	244,525
Operating grants & contributions	-	-	-	-	-
Capital grants & contributions	-	-	-	-	4,175
Total business-type activities program revenues	690,422	605,236	525,457	493,547	468,298
Total primary government program revenues	797,435	689,725	580,630	716,863	709,381
Expenses:					
Governmental activities:					
General Government	118,225	223,034	280,159	270,210	240,178
Culture & Recreation	67,812	19,376	23,087	13,259	34,309
Public Safety	30,200	-	-	-	-
Community Development	42,730	-	-	-	-
Code Enforcement	-	-	-	-	-
Tourism	9,695	-	-	-	-
Municipal Court	10,294	-	-	-	-
Highways & Streets	101,427	96,103	42,499	31,917	41,816
Total governmental activities	380,383	338,513	345,745	315,386	316,303
Business-type activities:					
Building	-	-	-	-	-
Water	358,810	348,683	344,914	318,125	306,853
Sewer	377,194	387,717	375,223	393,260	348,726
Total business type activities	736,004	736,400	720,137	711,385	655,579
Total primary government expenses	\$ 1,116,387	\$ 1,074,913	\$ 1,065,882	\$ 1,026,771	\$ 971,882
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes	\$ 140,307	\$ 134,981	\$ 131,105	\$ 126,539	\$ 123,078
Investment earnings	6,921	7,782	3,628	2,718	2,879
Other revenues	191,992	170,535	175,136	99,556	36,646
Gain (loss) on capital assets	16,419	-	-	-	-
Transfers in (out)	(19,460)	(91,924)	(60,126)	(60,226)	(52,126)
Total governmental activities	336,179	221,374	249,743	168,587	110,477
Business-type activities					
Investment earnings	3,265	-	-	244	391
Other revenues	272	309	-	12,331	11,805
Gain (loss) on capital assets	-	-	-	-	-
Transfers in (out)	19,460	91,924	60,126	60,226	52,126
Total business-type activities	22,997	92,233	60,126	72,801	64,322
Total primary government	\$ 359,176	\$ 313,607	\$ 309,869	\$ 241,388	\$ 174,799
Change in Net Position					
Governmental activities	\$ 62,809	\$ (32,650)	\$ (40,829)	\$ 76,517	\$ 35,257
Business-type activities	(22,585)	(38,931)	(134,554)	(145,037)	(122,959)
Total primary government	\$ 40,224	\$ (71,581)	\$ (175,383)	\$ (68,520)	\$ (87,702)

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
General Fund:					
Non spendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	39,275	31,736	18,466	6,100	-
Committed	2,323	-	5,224	6,597	-
Assigned	-	-	-	-	-
Unassigned	203,225	233,023	182,113	259,416	297,503
Total general fund	<u>244,823</u>	<u>264,759</u>	<u>205,803</u>	<u>272,113</u>	<u>297,503</u>
All Other Governmental Funds:					
Restricted	403,219	339,319	232,697	214,370	206,457
Committed	-	-	-	-	-
Assigned	13,759	13,824	11,468	34,691	29,405
Total all other governmental funds	<u>416,978</u>	<u>353,143</u>	<u>244,165</u>	<u>249,061</u>	<u>235,862</u>
Total governmental funds	<u>\$ 661,801</u>	<u>\$ 617,902</u>	<u>\$ 449,968</u>	<u>\$ 521,174</u>	<u>\$ 533,365</u>

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund:					
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	10,000	-
Unassigned	225,395	184,077	123,608	84,227	95,231
Total general fund	<u>225,395</u>	<u>184,077</u>	<u>123,608</u>	<u>94,227</u>	<u>95,231</u>
All Other Governmental Funds:					
Non spendable	-	-	-	-	-
Restricted	523,683	443,823	402,992	375,704	323,070
Committed	-	-	-	-	-
Assigned	91,457	90,575	207,275	260,317	305,972
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>615,140</u>	<u>534,398</u>	<u>610,267</u>	<u>636,021</u>	<u>629,042</u>
Total governmental funds	<u>\$ 840,535</u>	<u>\$ 718,475</u>	<u>\$ 733,875</u>	<u>\$ 730,248</u>	<u>\$ 724,273</u>

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

	Fiscal Year				
	2023	2022	2021	2020	2019
REVENUES					
Property Taxes	\$ 187,987	\$ 183,315	\$ 155,148	\$ 150,732	\$ 147,569
Intergovernmental	302,615	442,585	391,769	185,917	128,432
Franchise fees ¹	103,436	96,397	59,158	62,928	52,206
Licenses and permits	21,460	18,683	1,669	73,993	176,433
Charges for services	6,280	11,438	3,388	5,106	36,533
SDC fees ²	49,046	74,691	9,604	31,102	2,730
Fees and fines ¹	6,365	10,565	5,966	2,824	1,940
Investment earnings	8,616	2,555	2,789	8,617	9,833
Miscellaneous ²	11,048	62,967	12,114	2,729	1,631
Fundraising and event receipts	12,950	21,283	14,432	20,264	16,992
Total Revenues	<u>709,803</u>	<u>924,479</u>	<u>656,037</u>	<u>544,212</u>	<u>574,299</u>
EXPENDITURES					
Current:					
General Government ⁴	109,963	92,804	103,531	125,617	99,216
Parks ³	81,696	83,126	91,312	76,428	73,629
Public Safety	33,663	29,453	28,968	28,123	27,300
Community Development	123,426	55,879	73,748	102,066	168,433
Library ³	94,423	28,000	6,454	8,635	24,217
Tourism	1,223	12,259	14,311	14,490	7,566
Code Enforcement	6,974	3,202	2,251	2,786	11,863
Municipal Court	14,040	17,901	13,815	11,462	11,186
Highways and Streets	62,296	54,481	55,736	54,743	102,188
Blackberry Jam Festival ³	13,237	5,685	3,112	18,434	-
Culture and Recreation ³	-	-	-	-	-
Debt service:					
Principal	330,850	22,041	17,845	17,095	-
Interest	29,319	31,485	28,507	23,251	-
Capital Outlay:					
Total Expenditures	<u>1,340,843</u>	<u>756,547</u>	<u>1,069,014</u>	<u>555,545</u>	<u>1,285,719</u>
Excess (deficiency) of revenues over expenditures	<u>(631,040)</u>	<u>167,932</u>	<u>(412,977)</u>	<u>(11,333)</u>	<u>(711,420)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from loan	230,224	-	391,070	-	530,000
Gain or (loss) on sale of fixed assets	444,715	-	-	-	-
Transfers in	-	-	10,082	22,000	120,565
Transfers out	-	-	(59,381)	(22,858)	(472,578)
Total other financing sources and uses	<u>674,939</u>	<u>-</u>	<u>341,771</u>	<u>(858)</u>	<u>177,987</u>
SPECIAL ITEM					
Other Source - Litigation Proceeds	-	-	-	-	226,263
Net change in fund balances	43,899	167,932	(71,206)	(12,191)	(307,170)
Fund balances - beginning	617,902	449,968	521,174	533,365	840,535
Fund balances - ending	<u>\$ 661,801</u>	<u>\$ 617,900</u>	<u>\$ 449,968</u>	<u>\$ 521,174</u>	<u>\$ 533,365</u>

Notes:

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

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

	Fiscal Year				
	2018	2017	2016	2015	2014
REVENUES					
Property Taxes	\$ 140,307	\$ 134,981	\$ 131,105	\$ 126,539	\$ 123,078
Intergovernmental	103,333	92,724	86,140	84,941	91,705
Franchise fees ¹	52,720	-	-	-	-
Licenses and permits	38,413	83,407	71,933	74,573	83,382
Charges for services	5,381	-	-	-	-
SDC fees ²	68,548	-	-	-	37,650
Fees and fines ¹	3,726	38,265	9,779	25,502	3,178
Investment earnings	6,921	7,783	3,650	2,718	2,879
Miscellaneous ²	18,973	18,442	41,544	7,826	36,645
Fundraising and event receipts	20,806	22,187	20,969	18,403	25,168
Total Revenues	<u>459,128</u>	<u>397,789</u>	<u>365,120</u>	<u>340,502</u>	<u>403,685</u>
EXPENDITURES					
Current:					
General Government ⁴	103,074	97,112	204,569	203,871	201,453
Parks ³	-	-	-	-	-
Public Safety	30,200	21,000	30,486	24,298	-
Community Development	42,730	35,264	-	-	-
Library ³	-	-	-	-	-
Tourism	9,695	3,096	-	-	-
Code Enforcement	-	14,268	-	-	-
Municipal Court	10,294	-	-	-	-
Highways and Streets	70,222	64,898	43,185	32,576	35,192
Blackberry Jam Festival ³	-	-	-	-	-
Culture and Recreation ³	67,812	64,383	23,127	13,556	28,704
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital Outlay:					
	-	21,244	-	-	-
Total Expenditures	<u>334,027</u>	<u>321,265</u>	<u>301,367</u>	<u>274,301</u>	<u>265,349</u>
Excess (deficiency) of revenues over expenditures	<u>125,101</u>	<u>76,524</u>	<u>63,753</u>	<u>66,201</u>	<u>138,336</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from loan	-	-	-	-	-
Gain or (loss) on sale of fixed assets	16,419	-	-	-	-
Transfers in	10,000	22,975	13,528	13,028	10,028
Transfers out	(29,460)	(114,899)	(73,654)	(73,254)	(62,154)
Total other financing sources and uses	<u>(3,041)</u>	<u>(91,924)</u>	<u>(60,126)</u>	<u>(60,226)</u>	<u>(52,126)</u>
SPECIAL ITEM					
Other Source - Litigation Proceeds	-	-	-	-	-
Net change in fund balances	122,060	(15,400)	3,627	5,975	86,210
Fund balances - beginning	718,475	733,875	730,248	724,273	638,063
Fund balances - ending	<u>\$ 840,535</u>	<u>\$ 718,475</u>	<u>\$ 733,875</u>	<u>\$ 730,248</u>	<u>\$ 724,273</u>

Notes:

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

CITY OF LOWELL
Program Revenues by Function
Last Ten Fiscal Years

	2023	2022	2021	2020	2019
Program revenues:					
Governmental activities:					
General Government ¹	\$ 181,193	\$ 125,757	\$ 99,740	\$ 42,328	\$ 44,602
Culture & Recreation	63,033	282,503	19,860	60,799	98,512
Public Safety	-	-	-	-	-
Community Development	20,493	19,336	688	103,117	175,627
Code Enforcement	967	347	981	876	806
Toursim	11,318	10,586	10,274	10,137	9,639
Municipal Court	6,365	10,565	5,966	2,824	1,940
Highways & Streets	830,921	233,195	297,159	99,489	102,859
Public Works ²	-	-	-	-	-
Subtotal governmental activities	<u>1,114,290</u>	<u>682,289</u>	<u>434,668</u>	<u>319,570</u>	<u>433,985</u>
Business-type activities:					
Building	96,145	128,394	1,929	-	-
Water	738,948	564,537	374,054	368,132	391,598
Sewer	743,452	462,641	419,817	376,377	363,394
Subtotal business-type activities	<u>1,578,545</u>	<u>1,155,572</u>	<u>795,800</u>	<u>744,509</u>	<u>754,992</u>
Total primary government	<u>2,692,835</u>	<u>1,837,861</u>	<u>1,230,468</u>	<u>1,064,079</u>	<u>1,188,977</u>

	2018	2017	2016	2015	2014
Program revenues:					
Governmental activities:					
General Government ¹	\$ 66,346	\$ 48,219	\$ 21,406	\$ 153,144	\$ 114,340
Culture & Recreation	32,660	31,997	30,725	9,888	28,346
Public Safety	-	-	-	-	-
Community Development	-	-	-	-	-
Code Enforcement	-	-	-	-	-
Toursim	-	-	-	-	-
Municipal Court	-	-	-	-	-
Highways & Streets	8,007	4,273	3,042	60,284	60,747
Public Works ²	-	-	-	-	37,650
Subtotal governmental activities	<u>107,013</u>	<u>84,489</u>	<u>55,173</u>	<u>223,316</u>	<u>241,083</u>
Business-type activities:					
Building	-	-	-	-	-
Water	308,138	274,459	250,726	233,460	221,728
Sewer	382,284	330,777	274,731	260,087	246,570
Subtotal business-type activities	<u>690,422</u>	<u>605,236</u>	<u>525,457</u>	<u>493,547</u>	<u>468,298</u>
Total primary government	<u>797,435</u>	<u>689,725</u>	<u>580,630</u>	<u>716,863</u>	<u>709,381</u>

Notes:

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

CITY OF LOWELL
General Governmental Revenues
Last Ten Fiscal Years

Fiscal Year	Taxes and Fees			Licenses and Permits			
	Property Tax	Franchise Fees	Total	Land Use Permits	Construction Permits	Other Permits & Licenses	Total
13-14	\$ 123,078	\$ 43,345	\$ 166,423	\$ 396	\$ 23,521	\$ 347	\$ 24,264
14-15	126,539	45,095	171,634	998	17,566	335	18,899
15-16	131,105	47,932	179,037	176	12,755	1,066	13,997
16-17	134,981	48,378	183,359	5,221	24,340	751	30,312
17-18	140,307	52,720	193,027	1,044	35,967	1,402	38,413
18-19	147,569	52,206	199,775	7,500	246,867	1,246	255,613
19-20	150,732	62,928	213,660	35,768	36,869	1,356	73,993
20-21	155,148	59,158	214,306	292	-	1,377	1,669
21-22	181,055	96,397	277,451	17,951	-	732	18,683
22-23	187,987	103,436	291,423	19,800	-	1,660	21,460

Source: *City Financial Database*

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

CITY OF LOWELL
Assessed Value of Property
Last Ten Fiscal Years

Fiscal Year	Real Property	Manufactured Structures	Personal Property	Public Utility	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Real Market Value (RMV)	Assessed Value as a % of RMV
13-14	\$ 56,556,845	\$ 1,173,076	\$ 166,578	\$ 759,400	\$ 58,655,899	2.1613	\$ 80,167,206	73.2%
14-15	58,603,044	1,208,852	162,551	802,000	60,776,447	2.1613	86,132,470	70.6%
15-16	60,496,634	1,094,889	151,867	1,021,900	62,765,290	2.1613	90,378,891	69.4%
16-17	62,000,681	1,175,149	226,886	1,073,700	64,476,416	2.1613	94,410,652	68.3%
17-18	64,242,855	1,155,862	271,816	1,257,029	66,927,562	2.1613	108,244,103	61.8%
18-19	66,271,852	1,140,505	270,377	1,333,000	69,015,734	2.1613	117,576,623	58.7%
19-20	69,076,046	1,139,099	231,864	1,237,500	71,684,509	2.1613	123,729,680	57.9%
20-21	71,117,824	1,082,191	278,825	1,292,400	73,771,240	2.1613	129,834,847	56.8%
21-22	79,446,752	1,072,764	367,439	1,263,300	82,150,258	2.1613	168,202,694	48.8%
22-23	84,443,374	1,080,093	402,826	1,301,500	87,227,793	2.1613	203,956,062	42.8%

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

CITY OF LOWELL
Property Tax Rates
Last Ten Fiscal Years

Fiscal Year	Direct Rates		Overlapping Rates					Total Direct and Overlapping
	Basic Rate	Total Direct	Lane County	Lowell RFPD	Lane Community College	Lane ESD	School Dist 71	
13-14	\$ 2.1613	\$ 2.1613	\$ 1.9376	\$ 2.6970	\$ 0.8646	\$ 0.2232	\$ 5.0409	\$ 12.9246
14-15	2.1613	2.1613	1.9345	2.6970	0.8616	0.2232	5.0409	12.9185
15-16	2.1613	2.1613	1.8293	2.6970	0.8198	0.2232	5.0409	12.7715
16-17	2.1613	2.1613	1.6743	2.6970	0.8419	0.2232	5.0409	12.6386
17-18	2.1613	2.1613	1.6700	2.6970	0.8464	0.2232	5.0409	12.6388
18-19	2.1613	2.1613	1.8093	2.6970	0.8400	0.2232	6.1361	13.8669
19-20	2.1613	2.1613	1.8443	2.6970	0.8410	0.2232	6.1295	13.8963
20-21	2.1613	2.1613	1.8443	2.6970	0.9628	0.2232	6.1385	14.0271
21-22	2.1613	2.1613	1.8573	2.6970	0.9954	0.2232	6.0929	14.0271
22-23	2.1613	2.1613	1.8573	2.6970	0.9481	0.2232	6.0729	13.9598

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

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

CITY OF LOWELL
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Collected Within the Fiscal Year of the Levy		Collected in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
13-14	\$ 126,773	\$ 119,363	94.15%	\$ 3,715	\$ 123,078	97.1%
14-15	131,356	122,928	93.58%	3,611	126,539	96.3%
15-16	135,655	124,669	91.90%	2,360	127,029	93.6%
16-17	139,353	132,671	95.21%	2,310	134,981	96.9%
17-18	144,651	137,867	95.31%	2,440	140,307	97.0%
18-19	149,164	142,083	95.25%	5,486	147,569	98.9%
19-20	154,932	148,109	95.60%	2,622	150,732	97.3%
20-21	159,850	152,386	95.33%	2,761	155,147	97.1%
21-22	189,771	181,055	95.41%	2,260	183,315	96.6%
22-23	192,584	184,371	95.74%	3,616	187,987	97.6%

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

CITY OF LOWELL
Principal Tax Payers
Last Ten Fiscal Years

Fiscal Year 2022-23						
Taxpayer Name	Number of Parcels	Assessed Taxes	Taxable Assessed Value (TAV)	Estimated Real Market Value (RMV)	Total City Assessed Value	% of City Assessed Value
Tu-Mac Inc	1	\$ 30,145	\$ 2,293,020	\$ 2,293,020	87,227,793	2.63%
George Living Trust	5	17,753	1,265,375	2,753,310	87,227,793	1.45%
Jerry L & Julie E Valencia	6	14,206	1,012,904	1,527,734	87,227,793	1.16%
Lumen Technologies Inc	2	13,436	1,022,000	1,022,000	87,227,793	1.17%
Lowell Industrial Development	2	9,868	750,577	750,577	87,227,793	0.86%
J & K Property Holdings LLC	2	8,797	626,993	960,566	87,227,793	0.72%
Demuth Family Trust	4	8,590	612,275	1,315,514	87,227,793	0.70%
Perkins, Chad	3	7,522	536,250	1,015,036	87,227,793	0.61%
Gardner Family Trust	1	7,364	524,894	1,031,025	87,227,793	0.60%
Walker, Richard J & Allison A	3	6,973	497,292	780,082	87,227,793	0.57%
		<u>\$ 124,653</u>	<u>\$ 9,141,580</u>	<u>\$ 13,448,864</u>		<u>10.48%</u>

Total City assessed valuation base for Fiscal Year 2022-23: \$ 87,227,793

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

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

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

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

CITY OF LOWELL
Principal Tax Payers
Last Ten Fiscal Years

Fiscal Year 2019-2020

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

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

Fiscal Year 2018-2019

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

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

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

Fiscal Year 2017-2018

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

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

CITY OF LOWELL
Principal Tax Payers
Last Ten Fiscal Years

Fiscal Year 2016-2017

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

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

Fiscal Year 2015-2016

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

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

Fiscal Year 2014-2015

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

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

Fiscal Year 2013-2014

CITY OF LOWELL
Principal Tax Payers
Last Ten Fiscal Years

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

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

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

CITY OF LOWELL
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities	Business-Type Activities		Total Primary Government	Percentage of Personal Income *	Per Capita *
	Revenue Bonds and Notes Payable	Water Revenue and FF&C Bonds	Sewer Revenue and FF&C Bonds			
13-14	-	1,101,938	738,369	1,840,306	5.04%	1,736
14-15	-	1,071,951	716,744	1,788,695	4.62%	1,687
15-16	-	1,040,827	689,685	1,730,512	4.20%	1,625
16-17	-	1,008,519	662,173	1,670,692	3.94%	1,561
17-18	-	974,981	634,184	1,609,165	3.62%	1,504
18-19	530,000	940,161	605,695	2,075,856	4.50%	1,931
19-20	512,905	904,009	576,683	1,993,597	4.21%	1,829
20-21	886,129	1,051,826	1,598,946	3,536,901	6.90%	2,921
21-22	864,089	1,022,504	516,981	2,403,574	4.36%	1,946
22-23	763,463	992,441	481,238	2,237,142	3.98%	1,807

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

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

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total Real Market Value	\$ 203,956,062	\$ 168,202,694	\$ 129,834,847	\$ 123,729,680	\$ 117,576,623
Legal debt margin:					
Debt limitation:					
3 percent of total real market value	<u>6,118,682</u>	<u>5,046,081</u>	<u>3,895,045</u>	<u>3,711,890</u>	<u>3,527,299</u>
Debt applicable to limitation:					
General obligation debt	-	-	-	-	-
Less: Amount Available for repayment of general obligation bond principal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total debt applicable to limitation	-	-	-	-	-
Legal debt margin	<u>\$ 105,037,372</u>	<u>\$ 86,624,387</u>	<u>\$ 66,864,946</u>	<u>\$ 63,720,785</u>	<u>\$ 60,551,961</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Real Market Value	\$ 108,244,103	\$ 94,410,652	\$ 90,378,891	\$ 86,132,470	\$ 80,167,206
Legal debt margin:					
Debt limitation:					
3 percent of total real market value	<u>3,247,323</u>	<u>2,832,320</u>	<u>2,711,367</u>	<u>2,583,974</u>	<u>2,405,016</u>
Debt applicable to limitation:					
General obligation debt	-	-	-	-	-
Less: Amount Available for repayment of general obligation bond principal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total debt applicable to limitation	-	-	-	-	-
Legal debt margin	<u>\$ 55,745,713</u>	<u>\$ 48,621,486</u>	<u>\$ 46,545,129</u>	<u>\$ 44,358,222</u>	<u>\$ 41,286,111</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

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

CITY OF LOWELL
Demographic Statistics
Last Ten Fiscal Years

Fiscal Year	Population ¹	Personal Income ² (in thousands)	Per Capita Personal Income ³	Median Household Income ⁴	Median Age ⁵	School Enrollment ⁶	Unemployment Rate ⁷
13-14	1,060	38,496	36,489	45,341	45.9	263	7.91
14-15	1,060	41,071	38,746	46,125	39.9	318	6.78
15-16	1,065	43,661	41,190	53,438	43.7	287	5.66
16-17	1,070	45,152	42,396	55,375	40.5	302	5.01
17-18	1,070	47,525	44,416	56,726	39.8	343	4.38
18-19	1,075	49,353	46,124	57,083	41.6	284	4.34
19-20	1,090	50,891	47,340	55,729	46.7	262	3.98
20-21	1,211	62,090	51,272	55,795	47.9	209	7.94
21-22	1,235	68,105	55,146	52,431	47.2	202	5.50
22-23	1,238	69,561	56,188	52,431	47.2	202	4.50

Sources:

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

Notes:

- 1 *Calendar year statistics are matched to the first half of the fiscal year*
- 2 *US Census 2020 data release date for American Community Survey is in November each year*
- 3 *Sources 4, 5 and 6 were not updated as of this report date and reflect last year's information*

CITY OF LOWELL
Top Fifteen Water System Customers
by units of Consumption as of June 30, 2023

Customer	Account Type	Percentage of Total Consumption
COL - Sewer Plant	Public	3.55%
COL - Paul Fisher Park Irrigation	Public	1.93%
Lowell School District (HS)	Public	1.88%
Covered Bridge Estates	Multi-Family	1.74%
Lowell School District (BCA)	Public	1.17%
Dobslaw	Private	0.75%
COL - Rolling Rock Park	Public	0.74%
Lowell School District (MVA)	Public	0.66%
Brazill	Private	0.60%
Lowell School District (Lundy)	Public	0.59%
Weybright	Private	0.53%
Martini	Private	0.52%
Lowell School District (GH)	Public	0.51%
Dilts	Private	0.51%
Kau	Private	0.51%

Source: City Utility Database

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

Full-time equivalent employees based on adopted budget

Function or Program	2023	2022	2021	2020	2019	2018	2017	2016*	2015*	2014*
General Government										
Administration	0.20	0.20	0.20	0.15	0.15	0.15	0.15	0.65	0.41	0.47
Finance/City Clerk	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.54	0.54	0.61
Facilities	0.06	0.06	0.06	0.03	0.18	0.18	0.18	0.20	0.30	0.80
	<u>0.36</u>	<u>0.36</u>	<u>0.36</u>	<u>0.28</u>	<u>0.43</u>	<u>0.43</u>	<u>0.43</u>	<u>1.39</u>	<u>1.25</u>	<u>1.88</u>
Public Safety										
Administration	0.10	0.10	0.10	0.10	0.10	0.10	0.10	-	-	-
Municipal Court ²	0.05	0.05	0.05	0.05	0.05	0.05	0.05	-	-	-
Code Enforcement	-	0.05	0.05	0.05	0.05	0.05	0.05	-	-	-
Police ¹	-	-	-	-	-	-	-	-	-	-
	<u>0.15</u>	<u>0.20</u>	<u>0.20</u>	<u>0.20</u>	<u>0.20</u>	<u>0.20</u>	<u>0.20</u>	<u>-</u>	<u>-</u>	<u>-</u>
Community Development										
Administration	0.07	0.05	-	0.05	0.05	0.05	0.05	-	-	-
Planning & Land Use ³	0.03	-	-	0.05	0.05	0.05	0.05	-	-	-
Building ²	0.05	0.05	0.05	0.05	0.05	0.05	0.05	-	-	-
Engineering ¹	-	-	-	-	-	-	-	-	-	-
	<u>0.15</u>	<u>0.10</u>	<u>0.05</u>	<u>0.15</u>	<u>0.15</u>	<u>0.15</u>	<u>0.15</u>	<u>-</u>	<u>-</u>	<u>-</u>
Public Works										
Administration	0.58	0.60	0.60	0.60	0.60	0.60	0.60	0.35	0.22	0.16
Finance/City Clerk	0.80	0.80	0.80	0.80	0.80	0.80	0.80	1.20	1.21	1.19
Water Facilities	1.40	1.39	1.39	1.28	1.28	1.28	1.28	1.37	1.37	1.57
Sewer Facilities	1.40	1.39	1.39	1.28	1.28	1.28	1.28	1.37	1.37	1.28
Streets	0.20	0.20	0.20	0.41	0.41	0.41	0.41	0.28	0.28	0.35
	<u>4.38</u>	<u>4.38</u>	<u>4.38</u>	<u>4.37</u>	<u>4.37</u>	<u>4.37</u>	<u>4.37</u>	<u>4.57</u>	<u>4.45</u>	<u>4.55</u>
Culture & Recreation										
Administration	0.05	0.05	0.05	0.05	0.05	0.05	0.05	-	-	-
Parks	0.68	0.68	0.68	0.58	0.43	0.43	0.43	0.42	0.33	-
Library	0.59	0.59	0.09	0.40	-	-	-	-	-	-
	<u>1.32</u>	<u>1.32</u>	<u>0.82</u>	<u>1.03</u>	<u>0.48</u>	<u>0.48</u>	<u>0.48</u>	<u>0.42</u>	<u>0.33</u>	<u>-</u>
<i>Total Full-time equivalents</i>	<u><u>6.36</u></u>	<u><u>6.36</u></u>	<u><u>5.81</u></u>	<u><u>6.03</u></u>	<u><u>5.63</u></u>	<u><u>5.63</u></u>	<u><u>5.63</u></u>	<u><u>6.38</u></u>	<u><u>6.03</u></u>	<u><u>6.43</u></u>

Sources:

City's adopted budget for relevant fiscal year

Notes:

- ¹ Contracted Service, no City Employees
- ² Finance/City Clerk allocated for duties related to these activities, a portion of services are contracted
- ³ Public Works allocated for duties related to these activities, a portion of services are contracted
- * FY 2016 & prior, no allocations were made for general fund departments

COMPLIANCE SECTION

CITY OF LOWELL
INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS

As of June 30, 2023

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

We have audited the basic financial statements of the City of Lowell as of and for the year ended June 30, 2023 and have issued our report thereon dated December 27, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the City of Lowell's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and 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.**
- **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, I 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 Lowell 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 27, 2023