

CITY of CASCADE LOCKS

AGENDA

CITY COUNCIL MEETING, Monday, February 10, 2020, 7:00 PM, CITY HALL

Purpose: The City Council meets on the 2nd and 4th Mondays of each month to conduct city business.

1. **Call to Order/Pledge of Allegiance/Roll Call.**
2. **Additions or amendments to the Agenda.** (The Mayor may add items to the agenda after it is printed and distributed only when required by business necessity and only after an explanation has been given. The addition of agenda items after the agenda has been printed is otherwise discouraged.)
3. **Adoption of Consent Agenda.** (Consent Agenda may be approved in its entirety in a single motion. Items are considered to be routine. Any Councilor may make a motion to remove any item from the Consent Agenda for individual discussion.)
 - a. **Approval of January 27, 2020 Goal Setting Session Minutes**
 - b. **Approval of January 27, 2020 Minutes.**
 - c. **Ratification of the Bills in the Amount of \$75,960.27**
4. **Public Hearing:** None.
5. **Action Items:**
 - a. **Appointment to Committees.**
 - b. **Approve Resolution No. 1428 Adopting Council Goals for 2020-2021.**
6. **Appearance of Interested Citizens to Share a Variety of Perspectives on Issues Facing Our Community.** (Comments on matters not on the agenda or previously discussed.)
7. **Reports and Presentations.**
 - a. **City Committees.**
 - b. **Hood River Reads Proclamation and Presentation: Jean Harmon.**
 - c. **Audit Presentation: Tonya Moffitt.**
 - d. **ODOT Presentation: Katelyn Jackson, Richard Garrison, and Darshan Singh.**
 - e. **Gorge.Net Presentation: Dan Bubb.**
 - f. **City Administrator Zimmerman Report.**
8. **Mayor and City Council Comments.**
9. **Other matters.**
10. **Executive Session per ORS 192.660 (if required)**
11. **Adjournment.**

The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired, or for other accommodations for person with disabilities, should be made at least 48 hours in advance of the meeting by contacting the City of Cascade Locks office at 541-374-8484.

The Goal Setting Session started at 6:00 PM. Present were CM's Julie Armstrong, Sara Patrick, Richard Randall, Bobby Walker and Mayor Cramblett. CM Bruce Fitzpatrick was present via phone. CM Glenda Groves was excused. Also present were City Administrator Gordon Zimmerman, Deputy City Recorder Marilyn Place and Finance Officer Marianne Bump.

CA Zimmerman recapped and summarized the list of 2019-2020 goals for each department. (**Exhibit A**). He said the first item on the 2019-2020 list for Public Works is the Corrosion Control Project and it's complete. He said the Wastewater System Improvement Project is the second item on the list and is fully funded. He added construction for that project will move forward in 2021 and 2022.

CA Zimmerman said the Wa Na Pa Street Improvements and Crosswalk Project has been delayed by ODOT until February 2020 with opening bids in March and a Notice to Proceed due in April. He said the project will begin in May 2020 with the crosswalk construction. He said paving Wa Na Pa will happen during the last couple of weekends in September.

CA Zimmerman said the Electric Departments goal to improve the Dodson/Warrendale distribution lines has been completed. He said the project for Updating the Master Plan remains on the list.

CA Zimmerman said the City's Emergency Services Department is being run within budget and with four full time employees. CA Zimmerman said Station Captain John Logan will be looking at developing a Community Emergency Communication Program soon.

CA Zimmerman said the only item on the 2019-2020 goals list for the Finance Department was to provide a backup generator for City Hall. He said electricians determined the system at City Hall is not capable of handling a generator. He said we will adjust that goal for 2020-2021.

CA Zimmerman said the goals for administration for 2019-2020 are ongoing including the railroad quiet zone applications. He reminded Council the City received a Small City Allotment Grant to redo the crossing at Herman Creek Lane and it must be completed prior to a quiet zone being granted.

CA Zimmerman said on the second page of **Exhibit A**, are the goals purposed by City Staff for fiscal year 2020-2021. He said Public Works is very focused on getting the Wastewater Project going and the Wa Na Pa Street Improvements and Crosswalk Project going.

CA Zimmerman said there is a priority change in goals for the Electric Department for 2020-2021. He said replacing the line on Busher Lane in Warrendale has moved up the priority list. He said the hold up on completing the EDS/City Electrical System Upgrades is due to the Oregon State Preservation Office requiring a Cultural Survey for archeological work. He said the Wastewater Project is going to need a survey as well and maybe the two can be combined to save money.

CA Zimmerman said a goal for EMS will be to begin looking for funding for a new ambulance. He said the cost for a new ambulance will be between \$150,000 to \$250,000 depending on equipment. He said another goal is to continue looking into a Wildland Fire EMS Program.

CA Zimmerman said the Finance Departments goal for 2020-21 is to continue to seek funding to refurbish City Hall. He said the engineering estimate for the building is 2.5 million to bring it up to code for electrical, HVAC and the roof. He said it would be another two million to bring it up to seismic code.

CA Zimmerman said the 2020-21 goal for administration is upgrading the crossing at Herman Creek Lane so it can be made into a public crossing. He said there's a goal to fund recreational opportunities for kids if the budget allows. He said hiring a part time Code Enforcement Officer is another goal for administration.

Minutes
Goal Setting Session
January 27, 2020

CA Zimmerman said a goal he'd like Council to consider for 2020-21 is to allocate \$100,000 from the general fund and approach HRC Sheriff with a request they double the coverage for Cascade Locks.

Mayor Cramblett said he wanted to dedicate funds to help the museum build or acquire a new building. CA Zimmerman said there is \$85,000 from tourism dollars set aside for a visitor's center which could be part of the match that goes to the building.

Mayor Cramblett said there's a lot of deferred maintenance on our electric system due to a shortage of linemen. He suggested funds budgeted for the Electric Department be used to hire contract workers to come in and do some of the projects we're putting off. CA Zimmerman said we haven't put the budget together yet and it's quite possible we can plan for that kind of contract work.

Mayor Cramblett said recently there was a power outage near Benson Park and our crew and truck went out to do repairs and the truck got stuck in the mud on the service road. He said he'd like a load of rock dumped over that road to eliminate that happening again.

Mayor Cramblett said he'd like the generator that resides at the Moody Street Pump House to be put on a trailer to make it portable so it can be rolled to any location experiencing a power outage. CA Zimmerman said the generator belongs to the Water Department but we can look at re-allocating it.

Mayor Cramblett said if an emergency occurs that would affect travel on Wa Na Pa there is no way to get from one end of town to the other. He said Ruckel Street dead ends into the Locks Mobile Estates which could be punched through to the State Scales to create an emergency route for the town. He said ODOT owns the land in between Locks Mobile Estates and the State Scales and we'd have to acquire the property to build a road. He said the road would be gated off when not in use. CM Randall said instead of having to acquire the property maybe we could just get an easement through it.

Mayor Cramblett said we had a resolution several years ago to add a twenty-five cent per 1000-gallon fee to the water bill to be used for materials to repair water breaks. He said if the City no longer needs that fee for materials he'd like it pulled off the billing. He said he called the auditors to have them look at that account to see how much money is in it. CA Zimmerman said he can look into that and save the charges of having the auditors do it. Mayor and Council agreed to have CA Zimmerman investigate removing the twenty-five cents from the bill.

CM Randall said he noticed the street lights are spaced farther and farther apart as you travel east down Forest Lane. He said it would be conducive for safety to have more lighting on Forest Lane. CA Zimmerman said he will take a look at the budget to see if more lights can be purchased for Forest Lane.

CM Walker said he would like to re-instate the recreation fund for the youth in Cascade Locks. CA Zimmerman said we do have that on the goal list for 2019-20. He said we'd have to contract that out because the volunteer program we had in the past was less than consistent. He said with the new construction and more property taxes being collected we may be able to fund a \$10,000-line item and then we'd have to figure out how to get the program going.

Goal Session ended at 6:54PM.

APPROVED:

Prepared by
Marilyn Place, Deputy City Recorder

Tom Cramblett, Mayor

2019-20 City Council Goals

Public Works:

1. ~~Complete Water System Improvements/Corrosion Control Project~~
2. Continue Wastewater System Improvement Project
3. WaNaPa Street Improvements and Crosswalk Project
4. ~~Enhancement Holiday Lighting on Light Poles~~

Electrical Department

1. ~~Continue to Improve Dodson/Warrendale Distribution Line~~
2. Update Electric Utility Master Plan
3. Complete EDA/City Electrical System Upgrades
 - a) Replace Street Lights as Funding and Time Allow
 - b) Replace Underground Lines on Riverview Street
 - c) Replace Underground Lines on Sunset Avenue
 - d) Upgrade Transmission Lines into Business Park
 - e) Buy and rebuild BPA Substation

Emergency Services

1. ~~Maintain Department within Budget Parameters~~
2. ~~Operate with 4 FTE~~
3. Develop Wildland Fire EMS Program
4. Develop Community Emergency Communication Program

Finance

1. Provide a backup generator for City Hall

City Recorder/Planner

1. ~~Ongoing Monitoring of Social Media~~

Administration

1. Continue Good Governance
2. Railroad Quiet Zone Application
3. Seek Funding for City Hall Improvement Project
4. Fund Recreation/Education Opportunities for Kids
5. Seek RARE Student for Assistance with Recruitment and Housing
6. Hire Part-Time Code Enforcement Officer

2020-21 City Council Goals

Public Works:

1. Continue Wastewater System Improvement Project
2. WaNaPa Street Improvements and Crosswalk Project

Electrical Department

1. Replace Underground Lines on Busher Lane, Warrendale
2. Replace Underground Lines on Riverview Street
3. Replace Underground Lines on Sunset Avenue
4. Complete EDA/City Electrical System Upgrades
 - a. Upgrade Transmission Lines into Business Park
 - b. Buy BPA Substation and Connect to City Grid
 - c. Update Electric Utility Master Plan
5. Replace Street Lights as Funding and Time Allow

Emergency Services

1. Seek Funding for New Medic Unit
2. Develop Wildland Fire EMS Program
3. Develop Community Emergency Communication Program

Finance

1. Seek Funding for City Hall Refurbishment

City Recorder/Planner

1. Complete the Review of the Community Development Code and Public Works Design Standards for Consistency

Administration

1. Continue Good Governance
2. Railroad Quiet Zone Application (Upgrade Herman Creek Lane Crossing)
3. Fund Recreation/Education Opportunities for Kids
4. Seek RARE Student for Assistance with Recruitment and Housing
5. Hire Part-Time Code Enforcement Officer

1. **Call to Order/Pledge of Allegiance/Roll Call.** Mayor Cramblett called the meeting to order at 6:55PM directly after the Goal Setting Session. Present were CM's Julie Armstrong, Bruce Fitzpatrick (via phone), Sara Patrick, Richard Randall, Bobby Walker and Mayor Cramblett. CM Glenda Groves was excused. Also present were CA Gordon Zimmerman, Camera Operator Marianne Bump, Deputy Recorder Marilyn Place, Brenda Wood, Butch Miller, Shelly James and Dennis Snyder Jr.
2. **Additions or amendments to the Agenda.** CA Zimmerman said item 3b, Ratification of Bills, was updated after the packet was assembled. He presented Council with the additional statement.
3. **Adoption of Consent Agenda.**
 - a. **Approval of January 9, 2020 City Council Minutes.**
 - b. **Ratification of the Bills in the Amount of \$229,609.51.** **Motion:** CM Walker moved to approve the Consent Agenda, seconded by CM Randall. The motion passed unanimously by CM's Armstrong, Fitzpatrick, Patrick, Randall, Walker and Mayor Cramblett.
4. **Public Hearing:** None.
5. **Action Items:**
 - a. **Appointment to Committees.** CA Zimmerman said one application was received from Rachel Najjar for the Planning Commission. The position will help fill the vacancies left behind from the resignations of Larry Cramblett and Gary Munkoff. There was consensus of Council to appoint Ms. Najjar to the Planning Commission.
 - b. **Approve Resolution No. 1427 Extending WSIP Interim Financing Due Date.** CA Zimmerman said because the Water System Improvement Project is taking longer than expected we have to extend the due date for the bond for the Interim Financing. **Motion:** CM Randall moved to approve **Resolution No. 1427**, CM Walker seconded. The motion passed unanimously by CM's Armstrong, Fitzpatrick, Patrick, Randall, Walker and Mayor Cramblett.
 - c. **Approve 2020 Budget Calendar.** CA Zimmerman said the timing for the Budget Calendar is similar to last years with one exception. He said we pushed the training session back to the last week in April and the actual meetings will be May 6 and 13, 2020. **Motion:** CM Randall moved to approve the Budget Calendar, CM Patrick seconded. The motion passed unanimously by CM's Armstrong, Fitzpatrick, Patrick, Randall, Walker and Mayor Cramblett.
 - d. **Approve OLCC License for Cascade Locks Ale House.** **Motion:** CM Patrick moved to approve, CM Walker seconded. The motion passed with CM's Fitzpatrick, Patrick, Randall, Walker and Mayor Cramblett voting to approve. CM Armstrong abstained due to her affiliation with the Ale House.
6. **Appearance of Interested Citizens to Share a Variety of Perspectives on Issues Facing Our Community.** Butch Miller said recently there have been problems in town with break-ins and criminal activity. He said security cameras on the light poles would be a good idea for Cascade Locks. He said the cameras could be installed on Wa Na Pa and Forest Lane. Mayor Cramblett thanked Mr. Miller for presenting his idea and concerns to Council.
7. **Reports and Presentations.**
 - a. **City Committees.** None.
 - b. **City Administrator Zimmerman Report.** CA Zimmerman said the Corrosion Control Project is complete. He said it's been certified by the state and the City qualified for loan forgiveness. He said the project came in \$69,205 under budget.

CA Zimmerman said our DEQ representative sent a letter to the Enforcement Office regarding a Failure to Read and Monitor the treatment plant. He said we have addressed the non-monitoring issue with the

staff. He said the letter also included information about two spills that happened, one in November 2019 and one in January this year. He said the spills were due to heavy rains. He said the situation was exacerbated by two pumps failing. CA Zimmerman said Enforcement could fine us or they could ask how are we correcting the situation. CA Zimmerman asked for direction from Council. CM Walker said he thinks the City should buy a pump especially if there's funds available.

CA Zimmerman said the alarms at the lift stations are failing at a rapid pace. He said Public Works would also like to order 30 more water meters and there is money in the budget to do both. He asked Council if the meters and new alarms can be ordered. There was consensus of Council to have Public Works Foreman Sheldon Price go ahead and order the equipment.

CA Zimmerman said the retaining wall next to the shed fell over. He said the City Engineer is going to take a look at it and let us know what is the best way to solve the issue.

CA Zimmerman said the Hood River Economic Development Group got together to prioritize a list of economic development projects. He said the number one project is the HR Interstate Bridge replacement and BOG maintenance. He said Affordable Housing is also a priority. He said the storm line at the waterfront in Hood River and a wastewater treatment issue in the upper valley are also on the list.

8. Mayor and City Council Comments. CM Patrick said she wanted to address the rumors that she's moved out of town. She added the rumors are not true. She apologized for the meetings she missed.

CM Armstrong said she likes Mr. Miller's idea about installing security cameras.

CM Walker said he wanted to thank the staff. He said someone in the office took the time to call his home to alert him his water consumption had gone way up.

CM Randall said he was looking forward to staff putting together their budgets and moving forward on things that are priorities and thanked staff for everything they do. He said he was excited about the prospect of having HRC Sheriff increase our coverage.

Mayor Cramblett said Council and Staff have done a good job in the past regarding the budget. He said he's been getting a lot more phone calls alerting him to criminal activity issues in town. He said it's good in a small town that folks watch out for their neighbors. He said he believes the City will look into the security cameras.

Mayor Cramblett said he wanted to congratulate Brigham Fish Market for being Skamania County Chamber of Commerce's Business of the Year.

9. Other matters. None

10. Executive Session per ORS 192.660 (if required). None.

11. Adjournment. Motion: CM Randall moved to adjourn, seconded by CM Walker. The motion passed unanimously by CM Armstrong, Fitzpatrick, Patrick, Randall, Walker and Mayor Cramblett. The meeting adjourned at 7:26PM.

Prepared by,
Deputy Recorder, Marilyn Place

APPROVED:

Mayor Tom Cramblett

BLANKET VOUCHER APPROVAL

PAGE NO. 1

DEPARTMENT: CITY OF CASCADE LOCKS
COVER SHEET AND SUMMARY

DATE:	DESCRIPTION:	AMOUNT:
2/10/2020		
1/31/2020	Payroll	\$ 50,576.53
1/31/2020	A/P	\$25,383.74

GRAND TOTAL \$ 75,960.27

APPROVAL:

Mayor

Report Criteria:
 Report type: GL detail

Check Number	GL Period	Check Issue Date	Vendor Number	Invoice No.	Payee	Description	GL Account	Amount
11237	01/20	01/31/2020	6839	83474270	Bound Tree Medical LLC	Medical supplies, Medications	0540562351	176.05
Total 11237:								
11238	01/20	01/31/2020	6900	VD00135	BSK Associates	final invoice	2140562150	900.00
11238	01/20	01/31/2020	6900	VD00050	BSK Associates	31 clark cri, bridge side sink	2140562150	60.00
Total 11238:								
11239	01/20	01/31/2020	790	3134014510	CenturyLink	Treatment Plant	3140562050	124.75
11239	01/20	01/31/2020	790	3137855380	CenturyLink	telemetry	2140562050	125.20
11239	01/20	01/31/2020	790	3137855380	CenturyLink	telemetry	3140562050	125.21
11239	01/20	01/31/2020	790	31389113401	CenturyLink	Electric	5140562050	72.15
11239	01/20	01/31/2020	790	31389113401	CenturyLink	Electric	5140562050	18.01
11239	01/20	01/31/2020	790	3142284140	CenturyLink	Lift Station	3140562050	114.10
11239	01/20	01/31/2020	790	3201539970	CenturyLink	well house	2140562050	12.65
Total 11239:								
11240	01/20	01/31/2020	820	351200-017	CH2M Hill Engineers Inc	Engineering Services Feb 2020	3140562700	8,086.25
Total 11240:								
11241	01/20	01/31/2020	1360	131814	David R Cunningham	TROUBLESHOOTING	0140162082	840.00
Total 11241:								
11242	01/20	01/31/2020	1370	505104	Day Wireless Systems	install radio in F560 dump truck	2140562560	150.74
11242	01/20	01/31/2020	1370	505104	Day Wireless Systems	install radio in dump truck	3140562560	150.74
Total 11242:								
11243	01/20	01/31/2020	6795	0832139	Ferguson Enterprises Inc #3011	6501-GB HHD Hand Held for for reading	5642163941	2,528.34
11243	01/20	01/31/2020	6795	0832139	Ferguson Enterprises Inc #3011	6501-GB HHD Hand Held for for reading	5643163941	2,528.33
11243	01/20	01/31/2020	6795	0832139	Ferguson Enterprises Inc #3011	6501-GB HHD Hand Held for for reading	5645163941	2,528.33
11243	01/20	01/31/2020	6795	0842897	Ferguson Enterprises Inc #3011	3/4 cts comp	2140562560	750.32
11243	01/20	01/31/2020	6795	0844112	Ferguson Enterprises Inc #3011	1 1/2 mtr blu	2141562009	71.49

M = Manual Check, V = Void Check

Check Register - By Check No.
 Check Issue Dates: 1/30/2020 - 1/31/2020

Check Number	GL Period	Check Issue Date	Vendor Number	Invoice No.	Payee	Description	GL Account	Amount
11243	01/20	01/31/2020	6795	0844114	Ferguson Enterprises Inc #3011	If 1x2 mtr adpt pr	2141562009	252.83
11243	01/20	01/31/2020	6795	43029	Ferguson Enterprises Inc #3011	1 rub wstr	2140562560	87.53
Total 11243: 8,747.17								
11244	01/20	01/31/2020	6762	71863	General Equipment Co	console control, cable	0340562560	370.14
Total 11244: 370.14								
11245	01/20	01/31/2020	3070	1500663993	Les Schwab Tire Center	2001 dodge ram tires	0340562441	343.81
11245	01/20	01/31/2020	3070	1500663993	Les Schwab Tire Center	2001 dodge ram 2500 pickup tires	2140562441	343.82
11245	01/20	01/31/2020	3070	1500663993	Les Schwab Tire Center	2001 dodge ram tires	3140562441	343.81
Total 11245: 1,031.44								
11246	01/20	01/31/2020	3160	01282020	Marianne Bump/Petty Cash	Pizza for Planning Council Goal Setting s	0140482020	72.00
Total 11246: 72.00								
11247	01/20	01/31/2020	4650	0A28562	Platt Electric Supply	Ceramin metal halide tubular	0540562440	27.92
Total 11247: 27.92								
11248	01/20	01/31/2020	6780	32907157	Ricoh USA Inc	Periodic payment	0140162120	179.02
Total 11248: 179.02								
11249	01/20	01/31/2020	6970	1568-170929	Suburban Propane	Propane, fuel surcharge, safety fee	0540562421	904.84
Total 11249: 904.84								
11250	01/20	01/31/2020	6937	404923856	US Bank Equipment Finance	Contract Payment	5140566001	1,290.93
11250	01/20	01/31/2020	6937	404923856	US Bank Equipment Finance	Contract Payment	5140566002	2.68
Total 11250: 1,293.61								
11251	01/20	01/31/2020	6110	01302020	US Postal Service	Mail utility bills	0140162055	328.90
Total 11251: 328.90								

M = Manual Check, V = Void Check

Check Register - By Check No.
 Check Issue Dates: 1/30/2020 - 1/31/2020

Check Number	GL Period	Check Issue Date	Vendor Number	Invoice No.	Payee	Description	GL Account	Amount
11252	01/20	01/31/2020	6690	01242020	Woosley, Kathy	Rubens office Municipal court docs	0140462020	23.00
Total 11252:								23.00
11253	01/20	01/31/2020	6700	41698	XTC Truck & Toy	pin kit coupler spring/ v plow	0340562560	104.86
11253	01/20	01/31/2020	6700	41737	XTC Truck & Toy	F450 undercarriage kit	5640363941	448.33
11253	01/20	01/31/2020	6700	41737	XTC Truck & Toy	Ford F450 undercarriage kit	5642163941	448.33
11253	01/20	01/31/2020	6700	41737	XTC Truck & Toy	F450 undercarriage kit	5643163941	448.33
Total 11253:								1,449.85
Grand Totals:								25,383.74

M = Manual Check, V = Void Check

Summary by General Ledger Account Number

Check Register - By Check No.
 Check Issue Dates: 1/30/2020 - 1/31/2020

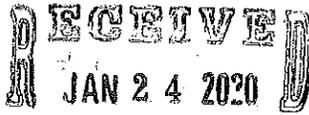
GL Account	Debit	Credit	Proof
01-21010	.00	1,442.92-	1,442.92-
01-401-62055	328.90	.00	328.90
01-401-62082	840.00	.00	840.00
01-401-62120	179.02	.00	179.02
01-404-62020	95.00	.00	95.00
03-21010	.00	818.81-	818.81-
03-405-62441	343.81	.00	343.81
03-405-62560	475.00	.00	475.00
05-21010	.00	1,108.81-	1,108.81-
05-405-62351	176.05	.00	176.05
05-405-62421	904.84	.00	904.84
05-405-62440	27.92	.00	27.92
21-21010	.00	2,754.58-	2,754.58-
21-405-62050	137.85	.00	137.85
21-405-62150	960.00	.00	960.00
21-405-62441	343.82	.00	343.82
21-405-62560	988.59	.00	988.59
21-415-62009	324.32	.00	324.32
31-21010	.00	8,944.86-	8,944.86-
31-405-62050	364.06	.00	364.06
31-405-62441	343.81	.00	343.81
31-405-62560	150.74	.00	150.74
31-405-62700	8,086.25	.00	8,086.25
51-21010	.00	1,383.77-	1,383.77-
51-405-62050	72.15	.00	72.15
51-405-66001	1,290.93	.00	1,290.93
51-405-66002	2.68	.00	2.68
51-406-62050	18.01	.00	18.01
56-21010	.00	8,929.99-	8,929.99-
56-403-63941	448.33	.00	448.33
56-421-63941	2,976.67	.00	2,976.67
56-431-63941	2,976.66	.00	2,976.66
56-451-63941	2,528.33	.00	2,528.33
Grand Totals:	25,383.74	25,383.74-	.00

M = Manual Check, V = Void Check

Report Criteria:

Report type: GL detail

M = Manual Check, V = Void Check



City of Cascade Locks, Oregon

DATE AND TIME RECEIVED: _____

Application for City Boards, Commissions, Task Forces and Committees

(Check one below)

Budget Committee _____ Planning Commission Tourism Committee _____ Other _____

NAME: deanna busdieker

HOME PHONE: _____

MAILING ADDRESS: _____

CELL PHONE: _____

EMAIL ADDRESS: _____

Do you live within the city limits? Yes No _____

How long have you lived in the City? 13 years in June

1. Why are you interest in serving?
That's what I do. Try to make where I am a better place

2. Do you feel that you can meet the schedule required by the City Council?
yes

3. What experiences have you had with City Committees, Boards, or Commissions?
4 years Planning Commission
5 years City Council

4. What special skills or interests do you think you bring to this effort?
ability to read and interpret reports
good eye for anomalies, want to learn better practices
will ask questions

APPLICANT SIGNATURE:

DATE: 24 Jan 2020

Thank you. We appreciate your willingness to serve.

RECEIVED
FEB 04 2020

City of Cascade Locks, Oregon

DATE AND TIME RECEIVED:

BY: Green

Application for City Boards, Commissions, Task Forces and Committees

(Check one below)

Budget Committee _____ Planning Commission Tourism Committee _____ Other _____

NAME: BUTCH MILLER

HOME PHONE: _____

MAILING ADDRESS: _____

CELL PHONE: _____

EMAIL ADDRESS: _____

Do you live within the city limits? Yes No _____

How long have you lived in the City? 3 YEARS

1. Why are you interest in serving?

I WOULD LIKE TO HELP MAINTAIN A
LIVABLE CASCADE LOCKS

2. Do you feel that you can meet the schedule required by the City Council?

YES

3. What experiences have you had with City Committees, Boards, or Commissions?

CHAIRPERSON OF C.L. COMMUNITY CHURCH

C.L. BUDGET COMMITTEE

HOOD RIVER COUNTY ENERGY COUNCIL MEMBER

4. What special skills or interests do you think you bring to this effort?

INTEREST IN SERVING THE COMMUNITY

APPLICANT SIGNATURE



DATE: FEB 4 2020

Thank you. We appreciate your willingness to serve.

AGENDA ITEM NO: 5b

CASCADE LOCKS STAFF REPORT

Date Prepared: February 3, 2020

For City Council Meeting on: February 10, 2020

TO: Honorable Mayor and City Council

PREPARED BY: Gordon Zimmerman, City Administrator

SUBJECT: Adoption of Council Goals for 2020-2021

SYNOPSIS: The Council developed a list of goals at the Goal Setting Work Session held on January 27, 2020, in the City Council Chambers. The end result of that work session is Resolution No. 1428 which adopts the Council Goals for the 2020-2021 Fiscal Year.

CITY COUNCIL OPTIONS: Approve, Modify, or Reject Resolution No. 1428.

RECOMMENDED MOTION: "I move to approve Resolution No. 1428 establishing the goals for the City government for the Fiscal Year 2020-2021."

RESOLUTION NO. 1428

A RESOLUTION ESTABLISHING THE GOALS FOR CITY GOVERNMENT FOR THE FISCAL YEAR 2020-2021.

WHEREAS, it is imperative that goals are set for the City government to reach given the finite capacity of resources that exist in the administration; and

WHEREAS, the goals of the City government have been arrived at by the City Council through consensus; and

WHEREAS, budgets and work plans are to be developed to implement these goals;

THE COMMON COUNCIL FOR THE CITY OF CASCADE LOCKS, HOOD RIVER COUNTY, OREGON, RESOLVES AS FOLLOWS:

SECTION 1. Fiscal Year 2020-2021 Goals for City Government. The following goals (Exhibit A) have been proposed for adoption. These goals are to guide the development of work plans and the allocation of resources. (Not In Order of Priority)

SECTION 2. Direction to All Committees, Commissions, Boards and Staff. All of the aforementioned groups shall review the goals listed above and provide input into their implementation. Budgets for specific utilities, committees, boards and City organizations are directed to reflect the implementation of these goals.

SECTION 3. Effective Date. This resolution shall become effective upon adoption.

ADOPTED by the City Council this 10th day of February, 2020.

APPROVED by the Mayor this 10th day of February, 2020.

ATTEST:

Tom Cramblett, Mayor

Kathy Woosley, City Recorder

2020-21 City Council Goals

Public Works:

1. Continue Wastewater System Improvement Project
2. Complete WaNaPa Street Improvements and Crosswalk Project

Electrical Department

1. Use Contract Crews for City Projects
 - a. Replace Underground Lines on Busher Lane, Warrendale
 - b. Replace Underground Lines on Riverview Street
 - c. Replace Underground Lines on Sunset Avenue
2. Complete EDA/City Electrical System Upgrades
 - a. Upgrade Transmission Lines into Business Park
 - b. Buy BPA Substation and Connect to City Grid
 - c. Update Electric Utility Master Plan
3. Replace Street Lights as Funding and Time Allow

Emergency Services

1. Seek Funding for New Medic Unit
2. Develop Wildland Fire EMS Program
3. Develop Community Emergency Communication Program

Finance

1. Seek Funding for City Hall Refurbishment

City Recorder/Planner

1. Complete the Review of the Community Development Code and Public Works Design Standards for Consistency

Administration

1. Continue Good Governance
2. Railroad Quiet Zone Application (Upgrade Herman Creek Lane Crossing)
3. Fund Recreation/Education Opportunities for Kids
4. Hire Part-Time Code Enforcement Officer

Proclamation

**Proclamation of support for the
2020 Hood River County Reads program,
The Highest Tide by Jim Lynch**

WHEREAS, the Friends of the Hood River County Library have organized the Hood River County Reads program to support reading books and discussing ideas among all members of our community, and;

WHEREAS, Hood River County Reads has been endorsed, supported, and financially-assisted by local schools, businesses, and organizations, as well as the Hood River County Library Foundation, Starseed Foundation, Hood River County Education Foundation, Friends of the Hood River County Library, Hood River Cultural Trust, Gorge Community Foundation and generous individuals, and;

WHEREAS, the City of Cascade Locks acknowledges the history and richness of our northwestern lands and people, and;

WHEREAS, the selection of *Highest Tide* by author Jim Lynch gives Cascade Locks the opportunity to know some of the history and experiences of those living and working in our magnificent Pacific Northwest, and;

WHEREAS, the author Jim Lynch visits the Hood River community, and;

WHEREAS, over five hundred and fifty copies of *The Highest Tide* will be distributed so that it can be read and discussed at multiple venues throughout the county, and;

Now, therefore be it RESOLVED, that the City of Cascade Locks establishes March 7th to April 19th as "Hood River County Reads".

Adopted this 10th day of February, 2020.

Tom Cramblett, Mayor

Kathy Woosley, City Recorder

7C

CITY OF CASCADE LOCKS, OREGON

FINANCIAL STATEMENTS
(WITH SUPPLEMENTAL INFORMATION)

FOR THE FISCAL YEAR ENDED

JUNE 30, 2019



CITY OF CASCADE LOCKS, OREGON
TABLE OF CONTENTS
June 30, 2019

PAGE

INTRODUCTORY SECTION

Officials of the City of Cascade Locks, Oregon i

FINANCIAL SECTION

Independent Auditor’s Report..... 1
Management’s Discussion and Analysis..... 4

Basic Financial Statements.....10

Government-Wide Financial Statements:

Statement of Net Position 11
Statement of Activities..... 12

Fund Financial Statements: 13

Governmental Funds:

Balance Sheet 14
Statement of Revenues, Expenditures, and Changes in Fund Balances 15
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances to the Statement of Activities 16

Proprietary Funds:..... 17

Statement of Net Position..... 18
Statement of Revenues, Expenses, and Changes in Net Position..... 19
Statement of Cash Flows..... 20

Notes to the Basic Financial Statements..... 21

Required Supplementary Information.....50

Budgetary Comparison Schedules:

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
General Fund..... 51
State Tax Street Fund..... 52

Schedule of the Proportionate Share of the Net Pension Liability 53

Schedule of Contributions Pension..... 54

Schedule of Changes in Total OPEB Liabilities & Related Ratio’s
- Implicit Rate Subsidy 55

Schedule of Contributions OPEB – Implicit Rate Subsidy 56

Schedule of the Proportionate Share of the OPEB - OPERS 57

Schedule of Contributions OPEB - OPERS 58

Notes to the Required Supplementary Information..... 59

Other Supplementary Information60

Combining Statements:

Non-major Special Revenue Funds Combining Balance Sheet..... 61
Non-major Special Revenue Funds Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances..... 62

Budgetary Comparison Schedules: 63

Governmental Funds:

Schedule of Expenditures – Budget and Actual: General Fund – Budgetary Basis 64

CITY OF CASCADE LOCKS, OREGON
TABLE OF CONTENTS
June 30, 2019

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:
 Capital Reserve 08 Fund 65

Non-major Governmental Funds:
 System Development Fund 66
 Grants Fund 67
 Tourism Fund 68
 Cemetery Trust Fund..... 69

Enterprise Funds: 70
 Electrical Fund 71
 Emergency Services Fund 72
 Sewer Operations Combined 73
 Sewer Fund..... 74
 Sewer Bond Fund 75
 Sewer Facilities Project Fund 76
 Water Fund Combined 77
 Water Fund 78
 Water System Improvement Fund..... 79
 Corrosion Control Treatment Fund 80

Non-major Propriety Funds Combined
 Statement of Net Position..... 81
 Statement of Revenues, Expenses, and Changes in Net Position..... 82

Non-major Enterprise Funds:
 CATV Fund 83
 Cemetery Fund 84

Comparative Balance Sheet – Sewer Operations..... 85
 Comparative Schedule of Revenues and Expenses – Sewer Operations 86

REPORTS OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor’s Report on Compliance and on Internal Control Over Financial
 Reporting on an Audit of Financial Statements Performed in Accordance with
Oregon State Regulation 87

INTRODUCTORY SECTION

CITY OF CASCADE LOCKS

Names and Addresses of Officers and
Members of the City Council
June 30, 2019

MEMBERS OF THE CITY COUNCIL

Tom Cramblett, Mayor
P.O. Box 511
Cascade Locks, Oregon 97014

Bruce Fitzpatrick, Councilmember
P.O. Box 674
Cascade Locks, Oregon 97014

Sara Patrick, Councilmember
P.O. Box 85
Cascade Locks, Oregon 97014

Glenda Groves, Councilmember
P.O. Box 412
Cascade Locks, Oregon 97014

Bobby Walker, Council President
P.O. Box 491
Cascade Locks, Oregon 97014

Richard Randall, Councilmember
P.O. Box 583
Cascade Locks, Oregon 97014

Julie Caldwell-Wagner, Councilmember
P.O. Box 417
Cascade Locks, Oregon 97014

OTHER OFFICERS

Gordon Zimmerman, City Administrator

Registered Office
P.O. Box 308

Cascade Locks, Oregon 97014

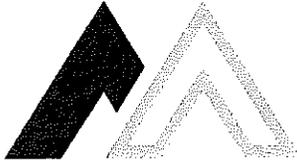
Marianne Bump, Finance Officer

LEGAL COUNSEL

VanKoten & Cleaveland LLC
Attorneys at Law
417 Sherman Avenue, Suite 7
Hood River, Oregon 97031

THIS PAGE INTENTIONALLY LEFT BLANK

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Cascade Locks, Oregon

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

City of Cascade Locks Oregon's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Cascade Locks, Oregon, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 11 to the financial statements, the City of Cascade Locks adopted new accounting guidance, GASB Statement No. 88, *Certain Debt Disclosures*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis and schedule of revenues, expenditures and changes in fund balance – budget and actual, as listed in the table of contents under required supplementary information, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis, schedule of the proportionate share of the net pension liability, schedule of contributions pension, schedule of changes in total OPEB liability and related ratio's – implicit rate subsidy, schedule of contributions OPEB – implicit rate subsidy, schedule of proportionate share of OPEB – OPERS, schedule of contributions OPEB – OPERS, as listed in the table of contents under required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The schedule of revenues, expenditures and changes in fund balance – budget and actual, as listed in the table of contents under required supplementary information, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplemental and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Cascade Locks, Oregon's basic financial statements. The introductory section and other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Reports on Other Legal and Regulatory Requirements

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2019 on our consideration of City of Cascade Locks, Oregon's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Cascade Locks, Oregon's internal control over financial reporting or on compliance. That report is issued separately and is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Cascade Locks, Oregon's internal control over financial reporting and compliance.

Other Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 30, 2019, on our consideration of City of Cascade Locks, Oregon'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 compliance.



For Merina+Co
Tualatin, Oregon
December 30, 2019

**City of Cascade Locks
Management's Discussion and Analysis
Fiscal Year 2018/2019**

As management of the City of Cascade Locks, Oregon, we offer this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with the City's financial statements that follow. This Management Discussion and Analysis (MD&A) is intended to explain the significant changes in financial position and differences in operations between the current and prior years.

FINANCIAL HIGHLIGHTS:

The City's assets exceeded its liabilities at June 30 2019, by **\$11,731,558** (net position). Of this amount, **\$639,695** is restricted for system development, cemetery maintenance, highways and streets, and tourism projects.

- The total net position increased by **\$503,981** for FY 18/19, as a result of an increase in assets and less of an increase in liabilities.
- As of the close of FY18/19, the City's governmental funds reported combined ending fund balances of **\$2,186,626**, an increase of **\$53,124** over last year.
- The City's total debt increased by **\$1,450,417** during the fiscal year due to the Loan for the Water System Improvement Project.

STATEMENT OF NET POSITION:

The focus of the statement of Net Position is to present the unrestricted net position of governmental and business-type activities. This includes the capital assets, including infrastructure and long-term liabilities, of governmental activities. A condensed version of the Statement of Net Position at June 30, 2019 is shown here:

	Net Position at June 30, 2019:					
	FY 18/19			FY 17/18		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business- Type Activities	Total
Cash and Investments	2,142,304	899,943	3,042,247	2,066,925	606,374	2,673,299
Other Assets	150,963	717,280	868,243	134,815	519,639	654,454
Restricted Cash	-	302	302	-	63,479	63,479
Deferred Outflows	280,940	289,231	570,171	249,225	308,551	557,776
Capital Assets	1,137,927	12,311,474	13,449,401	989,968	11,379,519	12,369,487
Total Assets and Deferred Outflows	3,712,134	14,218,230	17,930,364	3,440,933	12,877,562	16,318,495
Other Liabilities	738,614	1,195,478	1,934,092	793,165	4,153,298	4,946,463
Deferred Inflows	137,363	141,413	278,776	10,042	12,430	22,472
Long-term Debt Outstanding	37,492	3,948,446	3,985,938	35,073	86,910	121,983
Total Liabilities and Deferred Inflows	913,469	5,285,337	6,198,806	838,280	4,252,638	5,090,918
Net Position:						
Net Invested in Capital Assets	1,137,927	8,370,889	9,508,816	989,968	8,832,108	9,822,076
Restricted	639,695	-	639,695	571,485	63,177.00	634,662
Unrestricted	1,021,043	562,004	1,583,047	1,041,200	(270,361)	770,839
Total Net Position	2,798,665	8,932,893	11,731,558	2,602,653	8,624,924	11,227,577
Total Liabilities, Deferred inflows of resources and net position	3,712,134	14,218,230	17,930,364	3,440,933	12,877,562	16,318,495

Governmental Activities

Infrastructure, land, buildings, equipment and other improvements total **\$1,137,927**. Non-land portion of governmental capital assets are now depreciated and the accumulated depreciation at fiscal year-end is **\$1,863,446**. Governmental activity assets, exclusive of capital assets, total **\$2,574,207** compared to total assets of **\$3,712,134** inclusive of capital assets. Excluding compensated absences, the City had no governmental long-term debt June 30, 2019.

Business-type Activities

Infrastructure and long-term debt have historically been included in the City's reporting of assets within the Water, Sewer, and Light Funds. GASB 34 now requires that the infrastructure and debt associated with Streets and Cemetery also be reported. Capital assets at June 30, 2019 total **\$12,311,474**. Accumulated depreciation totals **\$7,281,852**. Business-type assets, exclusive of capital assets, total **\$1,906,756** compared to total assets of **\$14,218,230** inclusive of capital assets. The City had **\$495,000** in long-term business-type sewer plant debt, **\$10,785** in the Electrical Fund Digger Derrick loan and the Water System Improvement Loan of **\$3,415,476** excluding compensated absences as of June 30, 2019. Principal and interest are payable from sewer and water user fees.

Restricted Net Position

A portion of the year-end net position is restricted for specific purposes. The restrictions represent legal or contractual limitations on how the assets may be expended. Within both the governmental and business-type activities are system development charges, sewer bond reserves and sewer revenues that are limited to repayment of debt. Restrictions are also imposed on the assets within the Capital Reserve Fund by State Budget Regulations on the use of Capital Reserve Funds and by the City's resolve to use those funds for specific purposes, including facilities, system, vehicle and equipment purchase, upgrade or replacement.

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2019

This section will discuss and analyze significant differences between the current and prior year.

Governmental Activities:

Governmental related revenues, not including transfers between funds, increased by **\$95,309** from FY 17/18 to FY 18/19, due to the continuing increase in operating grants. Governmental Expenses decreased from FY 17/18 by **\$4,294** in FY 18/19 due to decrease in general government spending.

Business-type Activities:

Business-type related revenues, not including transfers between funds, increased from FY 17/18 by **\$48,334** in FY 18/19 due to an increase in customers. Business-type related expenses increased from FY 17/18 by **\$ 97,611** in FY 18/19 due to the increase in electric utilities, and an increase in water expenses.

A summary version of the Statement of Activities follows:

Comparison of Statement of Activities for FY18/19 and FY17/18

	Governmental Activities	FY18/19 Business-type Activities	Total	Governmental Activities	FY17/18 Business-type Activities	Total
Revenues:						
Program revenues:						
Charges for services	331,841	2,986,250	3,318,091	419,513	2,760,422	3,179,935
Highways and Streets	13,750	-	13,750	378	-	378
Culture and recreation	142,621	-	142,621	66,215	-	66,215
Operating grants and contributions	102,059	-	102,059	13,015	-	13,015
General revenues:						
Property taxes	269,187	-	269,187	241,547	-	241,547
Taxes/Misc	157,500	147,798	305,298	202,915	335,482	538,397
Unrestricted investment earnings	49,120	16,367	65,487	27,186	6,177	33,363
Total revenues	1,066,078	3,150,415	4,216,493	970,769	3,102,081	4,072,850
Expenses:						
General government	375,787	-	375,787	308,222	-	308,222
Public safety	96,496	-	96,496	95,809	-	95,809
Highways and streets	28,805	-	28,805	113,997	-	113,997
Culture and recreation	165,027	-	165,027	152,381	-	152,381
Interest on long -term debt	-	-	-	-	-	-
Electric	-	1,983,911	1,983,911	-	1,971,299	1,971,299
Emergency Services	-	475,222	475,222	-	483,934	483,934
Sewer	-	394,703	394,703	-	423,983	423,983
Water	-	188,727	188,727	-	45,736	45,736
Other	-	3,829	3,829	-	23,829	23,829
Total expenses	666,115	3,046,392	3,712,507	670,409	2,948,781	3,619,190
Increase (decrease) in net position before transfers	399,963	104,023	503,986	300,360	153,300	453,660
Transfers	(203,951)	203,951	-	(146,477)	146,477	-
Increase (decrease) in net position	196,012	307,974	503,986	153,883	299,777	453,660
Prior Period adjustment	-	-	-	(45,744)	(56,634)	(102,378)
Net position - beginning of year	2,602,653	8,624,919	11,227,572	2,494,514	8,381,781	10,876,295
Net position- end of year	2,798,665	8,932,893	11,731,558	2,602,653	8,624,924	11,227,577

General Fund Budgetary Highlights

The beginning fund balances for most funds were improved over the year except for EMS, Tourism, Water, and City Light. The continuing increased costs for medical insurance and retirement funds will bring added pressure to all budgets. Years of cutting personnel and material and services budgets has caused strain on the General Fund, however because of the administrative overhead cost allocations recommended in 2013 and done since the 2014/15 budget, the General Fund is able to handle the strain so far. Utility rate increases have been necessary to replace aging water infrastructure and wastewater infrastructure and fund economic growth for Cascade Locks. These increases cover the long-term debt from the Corrosion Control Project required by the Oregon Health Authority, the Water System Improvement Project, and the Wastewater Facilities Improvement Project.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2019, the City had invested **\$13,449,401** in capital assets, net of depreciation.

Capital Assets at Fiscal Year-End (Net of Depreciation)

	Governmental Activities	Business-Type Activities	Total
Land	169,765	133,927	303,692
Buildings and improvements	67,028	1,300,540	1,367,568
Machinery and equipment	54,115	418,434	472,549
Infrastructure	805,226	6,702,651	7,507,877
Infrastructure-Intangibles	-	33,505	33,505
Construction in progress	41,793	3,722,417	3,764,210
Total Assets	<u>1,137,927</u>	<u>12,311,474</u>	<u>13,449,401</u>

Increase/Decrease of Capital Assets between FY18/19 and Prior Fiscal Year FY17/18.

(Net of Depreciation)

	Governmental Activities	Business-Type Activities	Total
Land and other	-	-	-
Buildings and improvements	(6,394)	(32,515)	(38,909)
Machinery and equipment	(14,590)	(85,703)	(100,293)
Infrastructure	127,150	(217,994)	(90,844)
Infrastructure-Intangibles	-	-	-
Construction in progress	41,793	1,268,167	1,309,960
Total Assets	<u>147,959</u>	<u>931,955</u>	<u>1,079,914</u>

Debt Outstanding

As of June 30, 2019, the City had **\$3,985,938** in long-term liabilities, of this amount **\$3,921,261** is debt outstanding, compared to **\$2,592,827** as of June 30, 2018. As of June 30, 2019, **\$130,462** is due within one year. Of this total, loan payments are **\$65,785** and the balance is Compensated Absences in the amount of **\$64,677**.

Outstanding Long-term Liabilities at Year End

Governmental:	<u>2019</u>	<u>2018</u>
Compensated Absences	37,492	35,073
Total Governmental	37,492	35,073
Business-Type		
2018 Refinanced Sewer Bond	495,000	550,000
Digger Derrick-Electric Dept. Truck	10,785	25,872
Water System Improvement Loan	3,415,476	1,965,059
Compensated Absences	27,185	16,823
Total Business-Type	3,948,446	2,557,754
TOTAL LONG-TERM LIABILITIES	<u>3,985,938</u>	<u>2,592,827</u>

For more detailed information on the City's debt and amortization terms, please refer to the *Schedule of Future Debt Service Requirements* in the *Other Information* section of this report.

ECONOMIC FACTORS

The City's Governmental activities are supported by a variety of revenues, with the majority of funds being received through Property Taxes, Internal Payments and Property Use Fees paid by the enterprise funds, 70% of the Transient Room Taxes, and Emergency Services Department Revenues. Housing starts continued to be strong through the first half of 2019 which will lead to more property taxes to be collected in the future. The City has grown about 25% in housing units over that last four years. Only one residential building permit was issued during the last half of 2019. There are five commercial building permits in various stages of development: Hueker Boat Storage Facility, pFriem Brewing Distribution Warehouse, Thunder Island Brewing restaurant and micro-brew facility, Gorges Beer Restaurant and potential micro-brew facility, and The Renewal Workshop.

The City's Business-type activities are funded through utility charges, user fees, and system development charges. An increase in the Water and Wastewater Fund will be necessary to pay the debt for the Corrosion Control Project required by the Oregon Health Authority and the Wastewater System Improvement Project currently under engineering development.

The unemployment rate continues at 12% this year, much less than the 26% in 2010. This reduction is because of the growth of small businesses like Brigham's Fish Market and Thunder Island Brewery. Bear Mountain has increased in the industrial sector. The Renewal Workshop has doubled their small work force again over the last year and expects to quadruple their workforce over the next two years as they expand into their new 40,000 square foot facility. The City and the Port continue to actively pursuing new businesses for the Business Park. The official population estimate for July 1, 2019, from Portland State University shows maintained a population of 1,375. This will be verified by the US Census to begin in March of 2020.

In 2010 the assessed property value of the City was \$62 million. This year the City was valued at just over \$111 million, a 79% increase in 10 years. We have several major projects in development including Thunder Island Brewery and Restaurant and Gorges Beer Brewery and Restaurant on WaNaPa Street, Heuker Brothers Boat Maintenance and Storage Plant, pFriem Brewing Packaging and Distribution Center,

and a 40,000 square foot expansion for The Renewal Workshop in the Port of Cascade Locks Business Park. This will add another \$20 million in assessed valuation over the next two years. OregonMines is bringing only 4 jobs, but a demand for almost 4 megawatts of electricity which will substantially and dramatically improve the revenues for the City Light Electric Department.

Many issues continue to challenge Cascade Locks economically. In 1986 the Columbia River National Scenic Area legislation was passed. The legislation encouraged environmental protection within the boundary and economic and recreational opportunities for cities in the area. The legislation has preserved the scenic character of the area which has maintained the quality of life for many communities in the Gorge. However, with the general economic impact of this legislation, there have been continued challenges for resource-based economies attempting to shift to tourism and new industries. The City, working with the Port of Cascade Locks and the Columbia Gorge Commission, is developing regional solutions to common problems. OneGorge is an advocacy group of Gorge businesses and governments dedicated to develop solutions for economic issues in the Gorge.

The economic base of Cascade Locks continues to improve. Since the closure of the timber and aluminum plants in the Gorge, the local economy has been largely dependent on tourism and the few remaining forest products businesses. The City must seek funding for special projects from outside sources through grants, loans, assistance programs, and state and federal agencies. The City Council, in setting its budget priorities for 2018-19 continued the emphasis on infrastructure development as crucial for economic development and job creation for the city. Of prime importance this next year is the complete redevelopment of our electric substation and power distribution capacity. As the Port attracts more and bigger businesses to our community, we must increase the capacity of City Light to provide safe, redundant power to our commercial, industrial, and residential sectors.

FINANCIAL CONTACT

The City's financial statements are designed to present users 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 the City's Finance Officer at PO Box 308, Cascade Locks OR 97014, 541-374-8484 or mbump@cascade-locks.or.us.

Respectfully Submitted,

Gordon Zimmerman
City Administrator

THIS PAGE INTENTIONALLY LEFT BLANK

BASIC FINANCIAL STATEMENTS

BASIC FINANCIAL STATEMENTS

The basic financial statements include interrelated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements
 - Governmental Funds
 - Proprietary Funds

In addition, the notes to the basic financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

CITY OF CASCADE LOCKS, OREGON
STATEMENT OF NET POSITION
June 30, 2019

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 2,142,304	\$ 899,943	\$ 3,042,247
Accounts receivable	86,947	479,800	566,747
Property taxes receivable	36,171	-	36,171
Internal balances	918	(918)	-
Prepays	23,109	5,250	28,359
Inventories	-	229,219	229,219
Total current assets	2,289,449	1,613,294	3,902,743
Noncurrent assets:			
Restricted cash	-	302	302
Net other postemployment benefit asset	3,818	3,929	7,747
Capital assets:			
Nondepreciable	211,558	3,889,849	4,101,407
Depreciable, net	926,369	8,421,625	9,347,994
Total noncurrent assets	1,141,745	12,315,705	13,457,450
Total assets	3,431,194	13,928,999	17,360,193
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow related to pension	272,369	280,404	552,773
Deferred outflow related to OPEB	8,571	8,827	17,398
Total deferred outflows of resources	280,940	289,231	570,171
Total assets and deferred outflows of resources	\$ 3,712,134	\$ 14,218,230	\$ 17,930,364
LIABILITIES:			
Current liabilities:			
Accounts payable and other current liabilities	\$ 60,465	\$ 234,031	\$ 294,496
Deposits	8,050	153,608	161,658
Interest Payable	-	1,511	1,511
Current portion of long-term debt	37,492	92,970	130,462
Total current liabilities	106,007	482,120	588,127
Noncurrent liabilities:			
Noncurrent portion of long-term obligations	-	3,855,476	3,855,476
Net pension liability	482,866	497,111	979,977
Pension transitional liability	159,331	280,493	439,824
Net other postemployment benefit liability	27,902	28,724	56,626
Total noncurrent liabilities	670,099	4,661,804	5,331,903
Total liabilities	776,106	5,143,924	5,920,030
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow related to pension	121,398	124,979	246,377
Deferred inflow related to OPEB	15,965	16,434	32,399
Total deferred inflows of resources	137,363	141,413	278,776
NET POSITION:			
Net investment in capital assets	1,137,927	8,370,889	9,508,816
Restricted for:			
Highways and streets	170,956	-	170,956
Cemetery maintenance	9,109	-	9,109
System development	437,790	-	437,790
Tourism	21,840	-	21,840
Unrestricted	1,021,043	562,004	1,583,047
Total net position	2,798,665	8,932,893	11,731,558
Total liabilities, deferred inflows of resources and net position	\$ 3,712,134	\$ 14,218,230	\$ 17,930,364

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

CITY OF CASCADE LOCKS, OREGON
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues		Net Expense Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business Type Activities	Total
Governmental activities:						
General government	\$ 375,787	\$ 331,841	\$ 102,059	\$ 58,113	\$ -	\$ 58,113
Public safety	96,496	-	-	(96,496)	-	(96,496)
Highways and streets	28,805	13,750	-	(15,055)	-	(15,055)
Culture and recreation	165,027	142,621	-	(22,406)	-	(22,406)
Total governmental activities	666,115	488,212	102,059	(75,844)	-	(75,844)
Business type activities:						
Electrical Fund	1,983,911	1,924,826	-	-	(59,085)	(59,085)
Emergency Services Fund	475,222	146,109	-	-	(329,113)	(329,113)
Sewer Operations	394,703	413,968	-	-	19,265	19,265
Water Fund	188,727	500,287	-	-	311,560	311,560
Other Enterprise Funds	3,829	1,060	-	-	(2,769)	(2,769)
Total business type activities	3,046,392	2,986,250	-	-	(60,142)	(60,142)
Total government	\$ 3,712,507	\$ 3,474,462	\$ 102,059	(75,844)	(60,142)	(135,986)
General revenues:						
Taxes:						
Property taxes				269,187	-	269,187
Franchise taxes				2,569	-	2,569
Public service taxes and revenue sharing				44,293	-	44,293
State gas tax				98,348	-	98,348
Interest and investment earning				49,120	16,367	65,487
Miscellaneous revenues				12,290	147,798	160,088
Transfers in (out)				(203,951)	203,951	-
Total general revenues and transfers				271,856	368,116	639,972
Change in net position				196,012	307,974	503,986
Net position - beginning				2,602,653	8,624,919	11,227,572
Net position - ending				\$ 2,798,665	\$ 8,932,893	\$ 11,731,558

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

FUND FINANCIAL STATEMENTS
Major Governmental Funds

General Fund

The General Fund accounts for the financial operations of the City that are not accounted for in any other fund. Principal sources of revenue are property taxes, franchise fees, and state and county shared revenue. Primary expenditures are for culture and recreation, general government and public safety.

State Tax Street Fund

The State Street Tax Fund accounts for the receipts and expenditure of funds associated with the construction and maintenance of streets within the City.

Capital Reserve 08 Fund

The Capital Reserve 08 Fund accounts for monies accumulated for major fixed asset additions. Principal funding is provided by annual budgeted transfer from other funds.

CITY OF CASCADE LOCKS, OREGON
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2019

	General Fund	State Tax Street Fund	Capital Reserve 08 Fund	Other Governmental	Total Governmental
ASSETS:					
Cash and cash equivalents	\$ 287,590	\$ 162,702	\$ 1,243,398	\$ 448,614	\$ 2,142,304
Accounts receivable	57,137	8,755	-	21,055	86,947
Property taxes receivable	36,171	-	-	-	36,171
Due from other funds	6,583	-	918	-	7,501
Prepays	23,109	-	-	-	23,109
Total assets	\$ 410,590	\$ 171,457	\$ 1,244,316	\$ 469,669	\$ 2,296,032
LIABILITIES:					
Accounts payable and other current liabilities	\$ 45,294	\$ 501	\$ -	\$ 14,670	\$ 60,465
Deposits	8,050	-	-	-	8,050
Due to other funds	-	-	-	6,583	6,583
Total liabilities	53,344	501	-	21,253	75,098
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue - property tax revenue	34,308	-	-	-	34,308
Total deferred inflows of resources	34,308	-	-	-	34,308
FUND BALANCES:					
Nonspendable:					
Prepaid items	23,109	-	-	-	23,109
Restricted for:					
Highways and streets	-	170,956	-	-	170,956
Cemetery maintenance	-	-	-	9,109	9,109
System development	-	-	-	437,790	437,790
Tourism	-	-	-	21,840	21,840
Committed to:					
Capital projects	-	-	1,244,316	-	1,244,316
Unassigned	299,829	-	-	(20,323)	279,506
Total fund balances	322,938	170,956	1,244,316	448,416	2,186,626
Total liabilities, deferred inflows of resources and fund balances	\$ 410,590	\$ 171,457	\$ 1,244,316	\$ 469,669	

Amounts reported 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. 1,137,927

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. 34,308

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.
Net pension liability (491,226)
Other post-employment benefits (OPEB) (31,478)
Long-term debt (37,492)

Net position of governmental activities \$ 2,798,665

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

CITY OF CASCADE LOCKS, OREGON
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2019

	General Fund	State Tax Street Fund	Capital Reserve 08 Fund	Other Governmental	Total Governmental
REVENUES:					
Property taxes	\$ 260,911	\$ -	\$ -	\$ -	\$ 260,911
State gas tax	-	98,348	-	-	98,348
Franchise fees	2,569	-	-	-	2,569
Grants	-	-	-	102,059	102,059
Charges for service	134,733	-	-	165	134,898
Licenses and permits	-	3,750	-	-	3,750
Intergovernmental	44,293	-	-	-	44,293
Fines and forfeitures	400	-	-	-	400
Special assessments	166,798	-	-	71,485	238,283
Interest	7,432	-	31,539	10,149	49,120
Miscellaneous	6,692	3,888	-	1,710	12,290
Rents	29,910	10,000	-	-	39,910
System development charges	-	-	-	70,971	70,971
Total revenues	653,738	115,986	31,539	256,539	1,057,802
EXPENDITURES:					
Current:					
General government	240,390	-	-	176,839	417,229
Public safety	96,496	-	-	-	96,496
Highways and streets	-	44,546	-	-	44,546
Culture and recreation	79,995	-	-	85,032	165,027
Capital outlay	12,171	-	44,814	20,444	77,429
Total expenditures	429,052	44,546	44,814	282,315	800,727
Revenues over (under) expenditures	224,686	71,440	(13,275)	(25,776)	257,075
OTHER FINANCING SOURCES (USES):					
Transfers in	147	14,000	157,161	57,666	228,974
Transfers out	(209,320)	(66,234)	(154,071)	(3,300)	(432,925)
Total other financing sources (uses)	(209,173)	(52,234)	3,090	54,366	(203,951)
Net change in fund balances	15,513	19,206	(10,185)	28,590	53,124
FUND BALANCES, BEGINNING	307,425	151,750	1,254,501	419,826	2,133,502
FUND BALANCES, ENDING	\$ 322,938	\$ 170,956	\$ 1,244,316	\$ 448,416	\$ 2,186,626

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

**CITY OF CASCADE LOCKS, OREGON
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2019**

Amounts reported in the statement of activities are different because:

Net change in fund balances \$ 53,124

Governmental funds report pension and OPEB contributions as expenditures. However, in the statements of activities, the cost of pension and OPEB benefits earned net of employee contributions is reports as pension expense. (10,928)

The statement of revenues, expenditures, and changes in fund balances 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 depreciation exceeded capital outlay in the current period.

Depreciation	(44,805)	
Capital asset additions	192,764	
		147,959

Some revenue reported in the statement of activities do not provide current financial resources in the governmental funds. 8,276

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in compensated absences	(2,419)	

Change in net position of governmental activities \$ 196,012

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

FUND FINANCIAL STATEMENTS
Proprietary Funds

Enterprise Funds

These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs of providing the services to the general public on a continuing basis be financed primarily through user charges. These funds represent four major segments of operations –Electrical, Emergency Services, Sewer and Water.

Electrical Fund

The Electrical Fund accounts for the activities of the City's electric distribution operations.

Emergency Services Fund

The Emergency Services Fund accounts for the activities of the City's fire and ambulance operations.

Sewer Operations

Sewer Fund

The Sewer Fund accounts for the activities of the City's sewage collection and treatment operations.

Sewer Bond Fund

The Sewer Bond Fund was set up to account for the funds that were borrowed to build the sewer plant system.

Sewer Bond 2018 Refinance Fund

The Sewer Bond 2018 Refinance Fund was set up to account for the refinancing of funds that were borrowed to build the Sewer Plant System.

Sewer Facilities Project Fund

The Sewer Facilities Project Fund was set up to account for the funds borrowed to refurbish the Sewer Plant.

Water Operations

Water Fund

The Water Fund accounts for activities of the City's water collection operations.

Water System Improvement Fund

The Water System Improvement Fund was set up to account for the funds borrowed to improve the City's water system.

Corrosion Control Treatment Fund

The Corrosion Control Treatment Fund was set up to account for funds borrowed to implement requirements from Oregon Health Authority regarding corrosive water.

CITY OF CASCADE LOCKS, OREGON
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 June 30, 2019

	Business-Type Activities - Enterprise Funds					Total
	Electrical Fund	Emergency Services Fund	Sewer Operations	Water Operations	Other Enterprise Funds	
ASSETS:						
Cash and cash equivalents	\$ 387,079	\$ 15,146	\$ 128,611	\$ 360,679	\$ 8,428	\$ 899,943
Accounts receivables, net	129,124	5,447	72,759	272,470	-	479,800
Inventories	209,025	-	2,576	17,618	-	229,219
Prepaid expenses	-	5,250	-	-	-	5,250
Total current assets	725,228	25,843	203,946	650,767	8,428	1,614,212
Restricted cash	-	-	302	-	-	302
Net other postemployment benefit asset	1,842	1,280	319	488	-	3,929
Capital assets:						
Nondepreciable	42,385	93,230	83,179	3,640,238	30,817	3,889,849
Depreciable, net	2,737,680	1,484,603	3,530,030	669,312	-	8,421,625
Total noncurrent assets	2,781,907	1,579,113	3,613,830	4,310,038	30,817	12,315,705
Total assets	3,507,135	1,604,956	3,817,776	4,960,805	39,245	13,929,917
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflow related to pension	131,460	91,333	22,767	34,844	-	280,404
Deferred outflow related to OPEB	4,138	2,875	717	1,097	-	8,827
Total deferred outflows of resources	135,598	94,208	23,484	35,941	-	289,231
Total assets & deferred outflows of resources:	\$ 3,642,733	\$ 1,699,164	\$ 3,841,260	\$ 4,996,746	\$ 39,245	\$ 14,219,148
CURRENT LIABILITIES:						
Accounts payable and accrued expenses	\$ 104,568	\$ 8,681	\$ 14,033	\$ 106,487	\$ 262	\$ 234,031
Deposits	148,808	-	-	4,800	-	153,608
Due to other funds	-	918	-	-	-	918
Interest payable	-	-	1,511	-	-	1,511
Current portion of long-term debt	25,651	7,039	56,336	3,792	152	92,970
Total current liabilities	279,027	16,638	71,880	115,079	414	483,038
NONCURRENT LIABILITIES:						
Noncurrent portion of long-term debt	-	-	440,000	3,415,476	-	3,855,476
Net pension liability	233,057	161,918	40,363	61,773	-	497,111
Pension transitional liability	165,099	59,975	22,847	32,572	-	280,493
Net other postemployment benefit liability	13,467	9,356	2,332	3,569	-	28,724
Total noncurrent liabilities	411,623	231,249	505,542	3,513,390	-	4,661,804
Total liabilities	690,650	247,887	577,422	3,628,469	414	5,144,842
DEFERRED INFLOWS OF RESOURCES						
Deferred inflow related to pension	58,593	40,708	10,148	15,530	-	124,979
Deferred inflow related to OPEB	7,705	5,353	1,334	2,042	-	16,434
Total deferred inflows of resources	66,298	46,061	11,482	17,572	-	141,413
NET POSITION:						
Net investment in capital assets	2,754,414	1,578,503	3,116,873	890,282	30,817	8,370,889
Unrestricted	131,371	(173,287)	135,483	460,423	8,014	562,004
Total net position	2,885,785	1,405,216	3,252,356	1,350,705	38,831	8,932,893
Total liabilities & net position	\$ 3,642,733	\$ 1,699,164	\$ 3,841,260	\$ 4,996,746	\$ 39,245	\$ 14,219,148

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

CITY OF CASCADE LOCKS, OREGON
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN NET POSITION
 For the Fiscal Year Ended June 30, 2019

	Business-Type Activities - Enterprise Funds					Total
	Electrical Fund	Emergency Services Fund	Sewer Operations	Water Operations	Other Enterprise Funds	
OPERATING REVENUES:						
Charges for service	\$ 1,924,826	\$ 145,674	\$ 413,968	\$ 500,287	\$ 1,060	\$ 2,985,815
Licenses and permits	-	435	-	-	-	435
Miscellaneous	17,629	3,445	21,074	105,650	-	147,798
Total operating revenues	1,942,455	149,554	435,042	605,937	1,060	3,134,048
OPERATING EXPENSES:						
Personnel services	417,485	310,157	52,767	61,332	1,634	843,375
Materials and services	1,416,054	97,219	191,484	-	2,195	1,706,952
Depreciation	149,936	67,846	129,369	34,560	-	381,711
Total operating expenses	1,983,475	475,222	373,620	95,892	3,829	2,932,038
Operating income (loss)	(41,020)	(325,668)	61,422	510,045	(2,769)	202,010
NON-OPERATING REVENUES (EXPENSES):						
Interest income	5,745	794	3,072	6,603	153	16,367
Interest expense	(436)	-	(21,083)	(92,835)	-	(114,354)
Total non-operating revenues (expenses)	5,309	794	(18,011)	(86,232)	153	(97,987)
Net income (loss) before operating transfers	(35,711)	(324,874)	43,411	423,813	(2,616)	104,023
OPERATING TRANSFERS:						
Transfers in (out)	131,400	187,020	(63,178)	(54,444)	3,153	203,951
Change in net position	95,689	(137,854)	(19,767)	369,369	537	307,974
NET POSITION, BEGINNING	<u>2,790,096</u>	<u>1,543,070</u>	<u>3,272,123</u>	<u>981,336</u>	<u>38,294</u>	<u>8,624,919</u>
NET POSITION, ENDING	<u>\$ 2,885,785</u>	<u>\$ 1,405,216</u>	<u>\$ 3,252,356</u>	<u>\$ 1,350,705</u>	<u>\$ 38,831</u>	<u>\$ 8,932,893</u>

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

CITY OF CASCADE LOCKS, OREGON
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 For the Fiscal Year Ended June 30, 2019

	Business-Type Activities - Enterprise Funds					Total
	Electrical Fund	Emergency Services Fund	Sewer Operations	Water Operations	Other Enterprise Funds	
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash received from customers	\$ 1,947,476	\$ 158,637	\$ 433,363	\$ 392,205	\$ 1,060	\$ 2,932,741
Cash paid to employees and others for salaries/benefits	(601,135)	(246,311)	(47,033)	(55,528)	(1,628)	(951,635)
Cash paid to suppliers and others	(1,270,966)	(125,382)	(200,692)	(322,244)	(2,103)	(1,921,387)
Net cash provided (used) by operating activities	75,375	(213,056)	185,638	14,433	(2,671)	59,719
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:						
Transfers in (out)	131,400	187,020	(63,178)	(54,444)	3,153	203,951
Net cash provided (used) by non-capital financing activities	131,400	187,020	(63,178)	(54,444)	3,153	203,951
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Purchase of capital assets	(20,295)	-	(96,884)	(1,196,487)	-	(1,313,666)
Proceeds from debt	-	-	-	1,450,417	-	1,450,417
Debt principal payments	(15,087)	-	(55,000)	-	-	(70,087)
Interest paid	(436)	-	(20,571)	(92,835)	-	(113,842)
Proceeds (repayment) of interfund loans	-	(2,459)	-	-	-	(2,459)
Net cash provided (used) by capital and related financing activities	(35,818)	(2,459)	(172,455)	161,095	-	(49,637)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest received	5,745	794	3,072	6,603	153	16,367
Net cash provided (used) by investing activities	5,745	794	3,072	6,603	153	16,367
Net increase (decrease) in cash and cash equivalents	176,702	(27,701)	(46,923)	127,687	635	230,400
CASH AND CASH EQUIVALENTS, BEGINNING	210,377	42,847	175,836	232,992	7,793	669,845
CASH AND CASH EQUIVALENTS, ENDING	\$ 387,079	\$ 15,146	\$ 128,913	\$ 360,679	\$ 8,428	\$ 900,245
COMPRISED AS FOLLOWS:						
Cash and cash equivalents	\$ 387,079	\$ 15,146	\$ 128,611	\$ 360,679	\$ 8,428	\$ 899,943
Restricted cash and cash equivalents	-	-	302	-	-	302
Total cash and cash equivalents	\$ 387,079	\$ 15,146	\$ 128,913	\$ 360,679	\$ 8,428	\$ 900,245
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES						
Operating income (loss)	\$ (41,020)	\$ (325,668)	\$ 61,422	\$ 510,045	\$ (2,769)	\$ 202,010
Adjustments						
Depreciation	149,936	67,846	129,369	34,560	-	381,711
Decrease (increase) in:						
Accounts receivable	(3,487)	9,083	(1,679)	(215,832)	-	(211,915)
Inventories	19,169	-	(692)	(1,475)	-	17,002
Prepaid items	3,663	-	-	-	-	3,663
Increase (decrease) in:						
Accounts payable and accrued expenses	28,096	1,492	(5,916)	(320,769)	92	(297,005)
Deposits	8,508	-	-	2,100	-	10,608
Pension liability	(75,153)	32,851	3,903	5,969	-	(32,430)
Transitional liability	(6,502)	(4,518)	(1,127)	(512)	-	(12,659)
Net OPEB liability	(12,505)	1,322	(176)	(269)	-	(11,628)
Accrued compensated absences	4,670	4,536	534	616	6	10,362
Net cash provided (used) by operating activities	\$ 75,375	\$ (213,056)	\$ 185,638	\$ 14,433	\$ (2,671)	\$ 59,719

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

CITY OF CASCADE LOCKS, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

1. Summary of Significant Accounting Policies

A. Description of Reporting Entity

The City of Cascade Locks (the City) is a municipal corporation governed by a mayor and six council members elected by the citizens of the City. Administrative functions are delegated to individuals who report to and are responsible to the council. The chief administrative officer is the city administrator.

As required by GAAP, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize it is legally separate from the government. The City has no blended or discretely presented component units.

B. Basic Financial Statements

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

Government-wide statements

The statement of net position and the statement of activities display information about the City as a whole. These statements include all the financial activities of the City. Generally, the effect of interfund activity has been eliminated to minimize the double-counting of internal activities. Exceptions to this include interfund services provided and/or used. Interfund services provided and/or used are accounted for as revenues and expenses since the elimination of such revenues and expenses would distort the direct costs and program revenues reported for the various functions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. *Program revenues* include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund financial statements

These statements display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental and proprietary. Major individual governmental funds are reported as separate columns in the fund financial statements. Non-major funds are consolidated into a single column in the financial section of the basic financial statements and are detailed in the supplemental information.

CITY OF CASCADE LOCKS, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

C. Basis of Presentation

The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, reserves, fund balance, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The GASB 34 model sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and proprietary combined) for the determination of major funds. Non-major funds are combined in a column in the fund financial statements and detailed in the combining section.

The City reports the following major governmental funds:

General Fund: The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

State Tax Street Fund: The *street fund* accounts for the receipt and expenditure of funds associated with the construction and maintenance of streets within the City.

Capital Reserve 08 Fund: The *capital reserve 08 fund* is established to account for monies accumulated for major fixed asset additions. Principal funding is provided by annual budgeted transfers from other funds.

The City reports proprietary funds to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs of providing the services to the general public on a continuing basis be financed primarily through user charges. The City reports the following major proprietary funds:

Electric Operations: The *electrical fund* accounts for the activities of the City's electric distribution operations.

Emergency Service Operations: The *emergency services fund* accounts for the activities of the City's fire and ambulance operations.

Sewer Operations: The *sewer fund*, *sewer bond fund*, *sewer bond 2018 refinance fund*, and *sewer facilities project fund* accounts for the activities of the City's sewage collection and treatment operations.

Water Operations: The *water fund*, *water system improvement fund*, and *corrosion control treatment fund* accounts for the activities of the City's water collection operations.

Additionally, the government reports the following fund types:

Special revenue funds that account for revenues derived from specific sources that have been restricted to finance particular functions or activities. These include the *system development fund*, *grants fund*, *tourism fund*, and *cemetery trust fund*.

Other *proprietary* funds include the *CATV* and *cemetery* funds that account for the respective revenues and expenditures of these activities.

CITY OF CASCADE LOCKS, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

D. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe which transactions are recorded with the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus.

The government-wide financial statements and the proprietary funds financial statements are reported using the *economic resources measurement focus* and the *full accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, long-term compensated absences are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Unavailable revenues arise in the Governmental Funds Balance Sheet when potential revenue does not meet both the measurable and available criteria for recognition in the current period. This unavailable revenue consists primarily of uncollected property taxes and assessments not deemed available to financial operation of the current period. In the government-wide Statement of Net Position, with a full accrual basis of accounting, revenue must be recognized as soon as it is earned regardless of its availability. Thus, the liability created on the Governmental Fund Balance Sheet for unavailable revenue is eliminated. Note that unavailable revenues also arise outside the scope of measurement focus and basis of accounting, such as when the City receives resources before it has a legal claim to them. For instance, when grant monies are received prior to the incurrence of qualifying expenditures.

Similar to the way its revenues are recorded, governmental funds only record those expenditures that affect current financial resources. Principal and interest on general long-term debt are recorded as fund liabilities only when due, or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. Vested compensated absences are recorded as expenditures when they mature. In the government-wide financial statements, however, with a full accrual basis of accounting, all expenditures affecting the economic resource status of the government must be recognized, thus, the expense and related accrued liability for long term portions of debt and compensated absences must be included.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is necessary

CITY OF CASCADE LOCKS, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

to explain the adjustments needed to transform the fund based financial statements into the governmental column of the government-wide presentation. This reconciliation is part of the financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) 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.

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

The proprietary financial statements have incorporated all applicable GASB pronouncements.

E. Cash and Cash Equivalents

For the purposes of the statement of cash flows the City considers all highly liquid investments with an original maturity of three months or less when purchased, to be cash equivalents.

Investments included in cash and cash equivalents are reported at fair value. The City invests in the State of Oregon Local Government Investment Pool, which is authorized by Oregon Revised Statutes. Interest earned from pooled investments is allocated based on a fund's portion of the total investment balance. The City maintains depository insurance under Federal depository insurance funds and state and financial institution collateral pools for its cash deposits and investments, except the Local Government Investment Pool, which is exempt from statutes requiring such insurance.

F. Receivables

Uncollected property taxes receivable collected within sixty days following year end are considered measurable and available and are recognized as revenues. All other uncollected property taxes receivable are offset by unavailable revenue and, accordingly, have not been recorded as revenue. Property taxes are assessed and become a lien against the property as of July 1 each year and are payable in three installments on November 15, February 15, and May 15 following the lien date. Taxes unpaid and outstanding on May 16 are considered delinquent.

Receivables for grants and state shared revenues, included in accounts receivable are recorded as revenues in governmental fund types as earned. Receivables of the proprietary fund types are recorded as revenues as earned, including services earned but not billed.

G. Interfund Loans Receivables/Payables

Interfund loans are classified as "Due to and due from other funds".

CITY OF CASCADE LOCKS, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

H. Inventories

Inventories of materials and supplies in Proprietary Funds are stated at the lower of cost or market using the first-in first-out (FIFO) method of costing. Inventories in the governmental type funds are not considered material and consequently are recorded by the City as expenditures at the time of purchase.

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, street lights, etc.), are reported in the applicable governmental or business-type activities column in the governmental-wide financial statements. Capital assets are charged to expenditures as purchased in the governmental fund statements, and capitalized in the proprietary fund statements. Capital assets are recorded at historical cost, or estimated historical cost if actual cost is not available. Donated capital assets are recorded at their estimated fair market value at the time received.

Capital assets are defined by the City as assets with an initial, individual cost of \$3,000 or more, and having useful lives extending beyond a single reporting period. Additions or improvements and other capital outlays that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest costs were capitalized during the year ended June 30, 2019.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position and is provided on the straight-line basis over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Buildings and Improvements	20 to 50
Infrastructure	30 to 100
System Infrastructure	20 to 50
Vehicles	10 to 20
Office and Office Equipment	5 to 10

Monthly depreciation is taken in the year the assets are acquired or retired. Gains or losses from sales or retirements of capital assets are included in operations of the current period.

GASB Statement No. 34 (GASB 34) required the City to prospectively report and depreciate all infrastructure assets of governmental activities (primarily transportation systems) effective July 1, 2003. GASB extended the implementation period for retroactive reporting of these capital assets to the beginning of the fiscal year ending June 30, 2008. The City reports newly acquired infrastructure in accordance with GASB 34.

CITY OF CASCADE LOCKS, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

J. Intangible Capital Assets

Intangible capital assets, which include easements, water rights, timber rights, patents, trademarks, and computer software, are reported in the applicable governmental or business-type activities column in the governmental-wide financial statements. Intangible capital assets are charged to expenditures as purchased in the governmental fund statements, and capitalized in the proprietary fund statements. Intangible capital assets are recorded at historical cost, or estimated historical cost if actual cost is not available. Donated intangible capital assets are recorded at their estimated fair market value at the time received.

Intangible capital assets are defined by the City as assets with an initial, individual cost of \$3,000 or more, and having useful lives extending beyond a single reporting period. Additions or improvements and other capital outlays that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Amortization on exhaustible intangible assets is recorded as an allocated expense in the Statement of Activities with accumulated amortization reflected in the Statement of Net Position and is provided on the straight-line basis over the estimated useful life of the asset.

Monthly amortization is taken in the year the assets are acquired or retired. Gains or losses from sales or retirements of intangible capital assets are included in operations of the current period.

K. Compensated Absences

Accumulated vested vacation pay is accrued as it is earned. For governmental funds, accumulated vested vacation pay is maintained separately and represents a reconciling item between the fund-level and government-wide presentations. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. Accumulated vested vacation pay is reported in governmental funds only if they matured.

Funds used to liquidate accrued compensated absences included the general fund, street fund, water fund, sewer fund, electrical fund, and emergency services fund.

L. Deferred Outflows/ Inflows of Resources

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expenditure/expense) until then. The City has two items that qualifies for reporting in this category. It is the deferred amounts relating to pensions and deferred amounts relating to other postemployment benefits. This amount is deferred and recognized as an outflow of resources in the period when the City's recognizes pension expense/expenditures. Deferred outflows are included in the government-wide Statement of Net Position and the proprietary funds Statement of Net Position.

In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category. The governmental funds report unavailable revenues from property taxes, deferred amounts related to pensions, and deferred amounts related to other postemployment benefits. Unavailable revenues

CITY OF CASCADE LOCKS, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

from property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows related to pensions are deferred and recognized as an inflow of resources in the period when the City's recognizes pension income.

M. Pension

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

N. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's two separate plans the Implicit Rate Subsidy and Oregon Public Employees Retirement Systems (OPERS) and additions to/deductions from Implicit Rate Subsidy and OPERS's fiduciary net position have been determined on the same basis as they are reported by Implicit Rate Subsidy and OPERS. For this purpose, Implicit Rate Subsidy and OPERS recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

O. Net Position

In the government-wide financial statements and proprietary funds financial statements, net position is reported in three categories: net investment in capital assets; restricted net position; and unrestricted net position. Net investment in capital assets represents capital assets less accumulated depreciation less outstanding principal of related debt. Net investment in capital assets does not include the unspent proceeds of capital debt. Restricted net position represents net position restricted by parties outside of the City (such as creditors, grantors, contributors, laws, and regulations of other governments) and includes unspent proceeds of bonds issued to acquire or construct capital assets. The nonexpendable portion of permanent funds is reported as a component of restricted net position. The City's other restricted net position is temporarily restricted (ultimately expendable) assets. All other net position is considered unrestricted.

The government-wide statement of net position reports \$639,695 of restricted net position.

P. Fund Balance

In the fund financial statements, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – non-spendable, restricted, committed, assigned and unassigned.

Non-spendable – Includes amounts not immediately converted to cash, such as prepaid items and inventory.

CITY OF CASCADE LOCKS, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

Restricted – Includes amounts that are restricted by external creditors, grantors or contributors, or restricted by legal constitutional provisions.

Committed – Includes amounts that can be used only for the specific purposes determined by resolution by the City Council, the City’s highest level of decision-making authority. Committed amounts may not be used for any other purpose unless the City Council removes the constraint by similar council action. Commitments of fund balance must be made prior to the end of the fiscal year.

Assigned – Includes amounts the City intends to use for a specific purpose. Intent can be expressed by the City Council or by an official or body to which the City Council delegates the authority. Assignments of fund balance can be done at any time, including after the fiscal year end date.

Unassigned – This is the residual classification used for those balances not assigned to another category. Any balances that are budgeted as unappropriated will be considered to be unassigned.

Q. Use of Restricted Resources

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. When unrestricted resources (committed, assigned, and unassigned) are available for use it is the City’s policy to use committed resources first, then assigned, and then unassigned as they are needed.

R. Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted requires that management make estimates and assumptions which affect the reporting amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimated.

2. Cash and Cash Equivalents

At June 30, 2019 investments included in cash and cash equivalents consist of the following:

	<u>Weighted Average Maturity (Years)</u>	<u>Fair Value</u>
Investments in the State Treasurer’s Local Government Investment Pool	<u>0.00</u>	<u>\$ 2,991,114</u>

A. Interest Rate Risk

The City of Cascade Locks does not have a formal investment policy that limits investments maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

B. Credit Risk

State statutes authorize the City of Cascade Locks to invest in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers’ acceptances, and the State Treasurer’s Oregon Local Government Investment Pool, among others. The City has no investment policy that would further limit its investment

CITY OF CASCADE LOCKS, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

choices. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations, but is not regulated by other laws, organizations or regulations. The reported value of the Pool is the same as the fair value of Pool shares. Investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). The State Treasurer's Oregon Local Government Investment Pool is not registered with the SEC as an investment company and is unrated.

The City's investment in the Local Government Investment Pool is considered unclassified as to credit risk because it is not evidenced by securities that exist in physical or book entry form.

C. Concentration of Credit Risk

All investments of the City shall be made in accordance with Oregon Revised Statutes: ORS 294.035 (Investment of surplus funds of political subdivisions; approved investments), ORS 294.040 (Restriction on investments under ORS 294.035), ORS 294.135 (Investment maturity dates), ORS 294.145 (Prohibited conduct for custodial officer), ORS 294.805 to 294.895 (Local Government Investment Pool). Any revisions or extensions of these sections of the ORS shall be assumed to be part of this investment policy immediately upon being enacted.

D. Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. The City does not have a deposit policy for custodial credit risk. The Federal Depository Insurance Corporation (FDIC) provides insurance for the City's deposits up to \$250,000 for the combined total of all deposit accounts at each financial institution. The remaining deposits are covered by the Public Funds Collateralization program (PFCP) of the State of Oregon in accordance with ORS 295. Depositories qualified under this program are required to pledge collateral against any public funds deposits in excess of deposit insurance amounts. This provides additional protection for public funds in the event of a bank failure or loss. ORS 295 sets the specific value of the collateral, as well as the types of collateral that are acceptable. ORS 295 creates a shared liability structure for participating depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. As of June 30, 2019, the book value of the City's deposits was \$50,101 and the bank balance was \$237,378. As of June 30, 2019, none of the City's bank balances were exposed to custodial credit risk.

E. Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure of the counterparty, the City will not be able to recover the value of its investments or collateralized securities that are in the possession of an outside party. The City's investment policy limits the types of investments that may be held to those specified by Oregon statutes and does not allow securities to be held by the counterparty. The City's policy is in compliance with State statutes.

CITY OF CASCADE LOCKS, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

3. Capital Assets

Capital asset activity for the year ended June 30, 2019 was as follows:

Primary Government	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 169,765	\$ -	\$ -	\$ 169,765
Construction in Progress	-	41,793	-	41,793
Total capital assets, not being depreciated	<u>169,765</u>	<u>41,793</u>	<u>-</u>	<u>211,558</u>
Capital assets, being depreciated:				
Buildings & improvements	233,630	-	-	233,630
Infrastructure	1,943,847	150,970	-	2,094,817
Machinery & equipment	461,368	-	-	461,368
Total capital assets, being depreciated	<u>2,638,845</u>	<u>150,970</u>	<u>-</u>	<u>2,789,815</u>
Less accumulated depreciation for:				
Buildings & improvements	(160,207)	(6,395)	-	(166,602)
Infrastructure	(1,265,771)	(23,820)	-	(1,289,591)
Machinery & equipment	(392,663)	(14,590)	-	(407,253)
Total accumulated depreciation	<u>(1,818,641)</u>	<u>(44,805)</u>	<u>-</u>	<u>(1,863,446)</u>
Total capital assets, being depreciated, net	<u>820,204</u>	<u>106,165</u>	<u>-</u>	<u>926,369</u>
Governmental activities capital assets, net	<u>\$ 989,969</u>	<u>\$ 147,958</u>	<u>\$ -</u>	<u>\$ 1,137,927</u>
Governmental Activities				
General government		\$ 16,087		
Streets		<u>28,718</u>		
Total depreciation expense - governmental activities		<u>\$ 44,805</u>		

CITY OF CASCADE LOCKS, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

Business-type Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 133,927	\$ -	\$ -	\$ 133,927
Construction in Progress	2,454,250	1,268,167	-	3,722,417
Intangibles	33,505	-	-	33,505
Total capital assets , not being depreciated	<u>2,621,682</u>	<u>1,268,167</u>	<u>-</u>	<u>3,889,849</u>
Capital assets, being depreciated:				
Buildings & improvements	1,625,786	-	-	1,625,786
Infrastructure	12,359,256	45,499	-	12,404,755
Machinery & equipment	1,672,936	-	-	1,672,936
Total capital assets, being depreciated	<u>15,657,978</u>	<u>45,499</u>	<u>-</u>	<u>15,703,477</u>
Less accumulated depreciation for:				
Buildings & improvements	(292,731)	(32,515)	-	(325,246)
Infrastructure	(5,438,611)	(263,493)	-	(5,702,104)
Machinery & equipment	(1,168,799)	(85,703)	-	(1,254,502)
Total accumulated depreciation	<u>(6,900,141)</u>	<u>(381,711)</u>	<u>-</u>	<u>(7,281,852)</u>
Total capital assets, being depreciated, net	<u>8,757,837</u>	<u>(336,212)</u>	<u>-</u>	<u>8,421,625</u>
Business-type activities capital assets, net	<u>\$ 11,379,519</u>	<u>\$ 931,955</u>	<u>\$ -</u>	<u>\$ 12,311,474</u>
Business-type activities:				
Water		\$ 34,560		
Sewer		129,369		
Emergency services		67,846		
Electrical		149,936		
Total depreciation expense - business-type activities		<u>\$ 381,711</u>		

CITY OF CASCADE LOCKS, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

4. Interfund Transfers

Interfund transfers are primarily to the Capital Reserve Fund for future major capital purchases and other funds for current capital outlay. Interfund transfers for the year were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds:		
Major		
General Fund	\$ 147	\$ (209,320)
State Tax Street Fund	14,000	(66,234)
Capital Reserve 08 Fund	157,161	(154,071)
Non-Major		
Grants Fund	54,366	-
Cemetery Trust Fund	3,300	(3,300)
Total Governmental Funds	<u>228,974</u>	<u>(432,925)</u>
Proprietary Funds:		
Major		
Electrical Fund	135,000	(3,600)
Emergency Services Fund	187,020	-
Sewer Operations	78,186	(141,364)
Water Operations	211,050	(265,494)
Non-Major		
Cemetery Fund	3,300	-
CATV Fund	-	(147)
Total Proprietary Funds	<u>614,556</u>	<u>(410,605)</u>
Total all funds	<u>\$ 843,530</u>	<u>\$ (843,530)</u>

5. Interfund Receivables & Payables

Interfund loans are primarily used to fund capital projects purchases and construction projects.

Interfund balances at June 30, 2019 are as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
Capital Reserve Fund	Emergency Fund	\$ 918
General Fund	Grants Fund	<u>6,583</u>
Total		<u>\$ 7,501</u>

CITY OF CASCADE LOCKS, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

6. Long Term Debt

During the year ended June 30, 2019, long-term liability activity was as follows:

	<u>6/30/2018</u> Balance	<u>Additions</u>	<u>Reductions</u>	<u>6/30/2019</u> Balance	<u>Due in</u> <u>1 Year</u>
Governmental Activities					
Compensated Absences	\$ 35,073	\$ 2,419	\$ -	\$ 37,492	\$ 37,492
Total Governmental	<u>\$ 35,073</u>	<u>\$ 2,419</u>	<u>\$ -</u>	<u>\$ 37,492</u>	<u>\$ 37,492</u>
Business-Type Activities					
Enterprise Bond/Loans					
2018 Loan	\$ 550,000	\$ -	\$ 55,000	\$ 495,000	\$ 55,000
Digger Derrick	25,872	-	15,087	10,785	10,785
Water Project Loan	1,965,059	1,450,417	-	3,415,476	-
Total Enterprise Bond/Loans	<u>2,540,931</u>	<u>1,450,417</u>	<u>70,087</u>	<u>3,921,261</u>	<u>65,785</u>
Compensated Absences	16,823	10,362	-	27,185	27,185
Total Enterprise	<u>\$ 2,557,754</u>	<u>\$ 1,460,779</u>	<u>\$ 70,087</u>	<u>\$ 3,948,446</u>	<u>\$ 92,970</u>

A. Notes Payable

Business-Type Activities

Digger Derrick: In March 2015 the City purchased equipment valued at \$92,318, of which \$72,818 was financed. The City will repay this amount in monthly payments over 5 years with 2.54% interest. If loan is defaulted, by failure to make required principal or interest payments, the creditor could declare all principal and interest and all other amounts due immediately. After payments made in 2019, the remaining balance is as follows:

\$ 10,785

Digger Derrick

	Principal	Interest
2020	<u>\$ 10,785</u>	<u>\$ 76</u>
Total	<u>\$ 10,785</u>	<u>\$ 76</u>

Water Project Loan: In July 2017 the City obtained interim financing for up to \$3,764,515 to complete Water System Upgrades. The City will begin repaying this loan once the project is complete. Current drawdowns of the loan total:

\$ 3,415,476

2018 Loan: In May 2018 the City refinanced Sewer Bonds for the remaining balance of \$550,000. The City will repay this amount in semiannual interest and annual principal payments over 9 years with 3% interest. After payments made in 2019, the remaining balance is as follows:

\$ 495,000

CITY OF CASCADE LOCKS, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

2018 Loan

	Principal	Interest
2020	\$ 55,000	\$ 18,050
2021	60,000	16,400
2022	60,000	14,600
2023	65,000	12,800
2024	65,000	10,200
2025-2029	<u>190,000</u>	<u>14,400</u>
Total	<u>\$ 495,000</u>	<u>\$ 86,450</u>

7. Pension Plan

A. Plan Description

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

B. Benefits provided

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

Pension Benefits

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (1.8 percent for fire employees, 1.5 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

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

CITY OF CASCADE LOCKS, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

Death Benefits

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

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

Disability Benefits

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

Benefit Changes

After Retirement, Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living (COLA) changes. The COLA is capped at 2.0 percent.

2. OPSRP Defined Benefit Pension Program (OPSRP DB)

Pension Benefits

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

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

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

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

CITY OF CASCADE LOCKS, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

Death Benefits

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

Disability Benefits

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

Benefit Changes After Retirement

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and \$750 plus 0.15 percent on annual benefits above \$60,000.

3. OPSRP Individual Account Program (OPSRP IAP)

Pension Benefits

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

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

Death Benefits

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

Recordkeeping

OPERS contracts with VOYA Financial to maintain IAP participant records.

CITY OF CASCADE LOCKS, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

C. Contributions

1. Employer Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2016 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2017. Employer contributions for the year ended June 30, 2019 were \$178,898, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2018 were 31.17 percent for Tier One/Tier Two General Service Member, 21.57 percent for OPSRP Pension Program General Service Members, and 6 percent for OPSRP Individual Account Program.

2. Employee Contributions

Beginning January 1, 2004, all employee contributions were placed in the OPSRP Individual Account Program (IAP), a defined contribution pension plan established by the Oregon Legislature. Prior to that date, all member contributions were credited to the Defined Benefit Pension Plan. Member contributions are set by statute at 6.0 percent of salary and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the members behalf. The IAP member accounts represent member contributions made on or after January 1, 2004, plus earnings allocations less disbursements for refunds, death benefits, and retirements. As permitted, the City has opted to pick-up the contributions on behalf of employees; contribution were \$42,442 for the year ended June 30, 2019.

D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2019, the City reported a liability of \$979,977 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016 rolled forward to June 30, 2018. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2018, the City's proportion was 0.00647 percent, which was a decrease from its proportion of 0.00881 percent measured as of June 30, 2017.

CITY OF CASCADE LOCKS, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

For the year ended June 30, 2019, the City's recognized pension income of \$2,718. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 33,336	\$ -
Changes of assumptions	227,843	-
Net difference between projected and actual earnings on investments	-	43,517
Changes in proportion	11,221	202,860
Differences between employer contributions and proportionate share of contributions	<u>101,475</u>	<u>-</u>
Total (prior to post-MD contributions)	373,875	246,377
Contributions subsequent to the MD	<u>178,898</u>	<u>-</u>
Total	<u>\$ 552,773</u>	<u>\$ 246,377</u>

\$178,898 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2020	\$ 100,733
2021	68,976
2022	(30,531)
2023	(13,654)
2024	<u>1,974</u>
Total	<u>\$ 127,498</u>

CITY OF CASCADE LOCKS, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

E. Actuarial assumptions

The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2016
Measurement Date	June 30, 2018
Experience Study Report	2016, published July 26, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Long-Term Expected Rate of Return	7.20 percent
Discount Rate	7.20 percent
Projected Salary Increases	3.50 percent overall payroll growth
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and grade COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision, blend based on service.
Mortality	<p>Health retirees and beneficiaries: RP-2014 healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Active Members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2016 Experience Study which reviewed experience for the four-year period ending on December 31, 2016.

F. Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2017 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-

CITY OF CASCADE LOCKS, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

looking capital market economic model.

<u>Asset Class/Strategy</u>	<u>Assumed Asset Allocation</u>		
	<u>Low Range</u>	<u>High Range</u>	<u>Target</u>
Cash	0.0%	3.0%	0.0%
Debt Securities	15.0%	25.0%	20.0%
Public Equity	32.5%	42.5%	37.5%
Private Equity	14.0%	21.0%	17.5%
Real Estate	9.5%	15.5%	12.5%
Alternative Equity	0.0%	12.5%	12.5%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			<u>100.0%</u>

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Compounded Annual Return (Geometric)</u>
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00%	3.42%
Bank/Leveraged Loans	3.00%	5.09%
High Yield Bonds	1.00%	6.45%
Large/Mid Cap US Equities	15.75%	6.30%
Small Cap US Equities	1.30%	6.69%
Micro Cap US Equities	1.30%	6.80%
Developed Foreign Equities	13.13%	6.71%
Emerging Foreign Equities	4.12%	7.45%
Non-US Small Cap Equities	1.88%	7.01%
Private Equities	17.50%	7.82%
Real Estate (Property)	10.00%	5.51%
Real Estate (REITS)	2.50%	6.37%
Hedge Fund of Funds - Diversified	2.50%	4.09%
Hedge Fund - Event-Driven	0.63%	5.86%
Timber	1.88%	5.62%
Farmland	1.88%	6.15%
Infrastructure	3.75%	6.60%
Commodities	1.88%	3.84%
Total	<u>100.00%</u>	

Assumed Inflation - Mean

2.50%

G. Depletion Date Projection

GASB 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the

CITY OF CASCADE LOCKS, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

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

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is our independent actuary's opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

H. Discount rate

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

I. Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate

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

	<u>1% Decrease (6.20%)</u>	<u>Discount Rate (7.20%)</u>	<u>1% Increase (8.20%)</u>
City's proportionate share of the net pension liability (asset)	\$ 1,637,727	\$ 979,977	\$ 437,059

CITY OF CASCADE LOCKS, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

J. Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.

K. Payables to the pension plan

The City reports payables in the amount of \$10,587 payable to the pension plan.

L. Changes in Plan Provisions During the Measurement Period

There were no changes during the June 30, 2018 measurement period that require disclosure.

M. Changes in Plan Provisions Subsequent to Measurement Date

There were no changes subsequent to the June 30, 2018 measurement period that require disclosure.

8. Other Postemployment Benefits Other than Pensions

The other postemployment benefits (OPEB) for the City combines two separate plans. The City provides an implicit rate subsidy for retiree health insurance premiums, and a contribution to the State of Oregon's PERS cost-sharing multiple-employer defined health insurance benefit plan.

A. Financial Statement Presentation

The City's two OPEB plans are presented in the aggregate on the Statement of Net Position. The amounts on the financial statements relate to the plans as follows:

	<u>Implicit Rate Subsidy</u>	<u>PERS RHIA Plan</u>	<u>Total OPEB on Financials</u>
Net OPEB Asset	\$ -	\$ 7,747	\$ 7,747
Deferred Outflows of Resources			
Contributions After MD	14,180	3,218	17,398
Total OPEB Liability	(56,626)	-	(56,626)
Deferred Inflows of Resources			
Difference in Expected and Actual Experience	(10,118)	(439)	(10,557)
Difference in Earnings	-	(1,670)	(1,670)
Change in Assumptions	(19,846)	(25)	(19,871)
Change in Proportionate Share	-	(301)	(301)
OPEB Expense/(Income)*	2,536	(881)	1,655

*Included in program expenses on Statement of Activities

B. Implicit Rate Subsidy

1. Plan Description

The City's single-employer defined benefit postemployment healthcare plan is administered by CityCounty Insurance Services (CIS). Benefit provisions are established through negotiations

CITY OF CASCADE LOCKS, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

between the City and representatives of collective bargaining units or through resolutions passed by City Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

The City's postemployment healthcare plan administrator issues a publicly available financial report that includes financial statements and required supplementary information for CIS. This report may be obtained through their website at: <https://www.cisoregon.org/About/TrustDocs>.

2. Benefits Provided

The plan provides eligible retirees and their dependents under age 65 the same health care coverage at the same premium rates as offered to active employees. The retiree is responsible for the premiums. As of the valuation date of July 1, 2018, the following employees were covered by the benefit terms:

Active employees	13
Eligible retirees	1
Spouses of ineligible retirees	<u>1</u>
Total participants	<u><u>15</u></u>

3. Total OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The City's total OPEB liability of \$56,626 was measured as of June 30, 2018 and was determined by an actuarial valuation as of July 1, 2018.

For the fiscal year ended June 30, 2019, the City recognized OPEB expense from this plan of \$2,536. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 10,118
Changes of assumptions	<u>-</u>	<u>19,846</u>
Total (prior to post-MD contributions)	-	29,964
Contributions subsequent to the MD	<u>14,180</u>	<u>-</u>
Total	<u><u>\$ 14,180</u></u>	<u><u>\$ 29,964</u></u>

CITY OF CASCADE LOCKS, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

Deferred outflows of resources related to OPEB of \$14,180 resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30:</u>	
2020	\$ (5,179)
2021	(5,179)
2022	(5,179)
2023	(5,179)
2023	(5,179)
Thereafter	<u>(4,069)</u>
Total	<u>\$ (29,964)</u>

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2016 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Discount Rate	3.87 percent
Projected Salary Increases	3.50 percent overall payroll growth
Retiree Healthcare Participation	40% of eligible employees 60% of male members and 35% of female members will elect spouse coverage.
Mortality	Health retirees and beneficiaries: RP-2014 healthy annuitant, sex distinct mortality tables blended 50/50 blue collar and white collar, set back one year for males. Mortality is projected on a generational basis using the Unisex Social Security Data scale.
	Healthcare cost trend rate:
	Medical and vision: 7.00 percent per year decreasing to 4.75 percent.
	Dental: 4.50 percent per year

The discount rate was based on Bond Buyer 20-Year General Obligation Bond Index.

CITY OF CASCADE LOCKS, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

4. Changes in the Total OPEB Liability

Changes in assumptions is the result of the change in the discount rate from 3.58% to 3.87%.

	Total OPEB Liability
Balance as of June 30, 2018	\$ 105,935
Changes for the year:	
Service cost	4,250
Interest on Total OPEB Liability	3,465
Effect of economic demographic gains or losses	(11,862)
Effect of assumptions changes or inputs	(18,138)
Benefit payments	(27,024)
Balance as of June 30, 2019	<u>\$ 56,626</u>

5. Sensitivity of the Total OPEB Liability

The following presents the City's OPEB liability, as well as what the liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87 percent) or 1-percentage-point higher (4.87 percent) than the current discount rate. A similar sensitivity analysis is then presented for changes in the healthcare trend assumption.

Discount Rate:

	<u>1% Decrease (2.87%)</u>	<u>Current Discount Rate (3.87%)</u>	<u>1% Increase (4.87%)</u>
Total OPEB Liability	\$ 60,909	\$ 56,626	\$ 52,793

Healthcare Cost Trend:

	<u>1% Decrease</u>	<u>Current Health Care Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 51,564	\$ 56,626	\$ 62,926

C. PERS Retirement Health Insurance Account

1. Plan Description

The City contributes to the PERS Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by PERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums for eligible retirees. ORS 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants hired after August 29, 2003. PERS issues publicly available financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700, or online at <https://www.oregon.gov/pers/Documents/Financials/CAFR/2018-CAFR.pdf>.

CITY OF CASCADE LOCKS, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

2. Benefits Provided

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the RHIA established by the employer, and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost, the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

3. Contributions

PERS funding policy provides for employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 2015 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2017. The City's contribution rates for the period were 0.50% for Tier One/Tier Two members, and 0.43% for OPSRP members. The City's total for the year ended June 30, 2018 contributions was \$3,218.

4. OPEB Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2019, the City reported an asset of \$7,747 for its proportionate share of the OPERS net OPEB asset. The net OPEB asset was measured as of June 30, 2018, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2016 rolled forward to June 30, 2018. The City's proportion of the net OPEB asset was based on the City's contributions to the RHIA program during the measurement period relative to contributions from all participating employers. At June 30, 2018, the City's proportionate share was 0.0069%, which is an increase from its proportion of 0.0060% as of June 30, 2017.

CITY OF CASCADE LOCKS, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

For the year ended June 30, 2019, the City recognized OPEB income from this plan of \$881. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 439
Changes of assumptions	-	25
Net difference between projected and actual earnings on investments	-	1,670
Changes in proportionate share	-	301
Total (prior to post-MD contributions)	-	2,435
Contributions subsequent to the MD	3,218	-
Total	<u>\$ 3,218</u>	<u>\$ 2,435</u>

Deferred outflows of resources related to OPEB of \$3,218 resulting from the City's contributions subsequent to the measurement date will be recognized as an increase in the net OPEB asset in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30:</u>	
2020	\$ (857)
2021	(831)
2022	(580)
2023	(167)
2023	-
Total	<u>\$ (2,435)</u>

5. Actuarial Methods and Assumptions

The total OPEB asset in the December 31, 2016 actuarial valuation was determined using the actuarial methods and assumptions are the same as listed above in Note 7-E – Pension Plan Actuarial Assumptions.

6. Long-Term Expected Rate of Return

Are the same as listed above in Note 7-F – Pension Plan Long-term Expected Rate of Return.

Discount Rate

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

CITY OF CASCADE LOCKS, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

of return on pension plan investments for the RHIA Plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

7. Sensitivity of the City’s proportionate share of the net OPEB liability (asset) to changes in the discount rate

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

<u>Discount Rate:</u>	<u>1% Decrease (6.20%)</u>	<u>Current Discount Rate (7.20%)</u>	<u>1% Increase (8.20%)</u>
Total OPEB Liability	\$ (4,511)	\$ (7,747)	\$ (10,502)

8. OPEB Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued OPERS financial report.

9. Changes in Plan Provisions During the Measurement Period

There were no changes during the June 30, 2018 measurement period that require disclosure.

10. Changes in Plan Provisions Subsequent to Measurement Date

There were no changes subsequent to the June 30, 2018 measurement period that require disclosure.

9. Property Tax Calendar

Real and personal property taxes are levied in July of each fiscal year. Property taxes attach as an enforceable lien on property as of July 1, and are payable in three installments on November 15, February 15, and May 15. All property taxes are billed and collected by Washington County and remitted to the City. Uncollected taxes, including delinquent amounts, are considered substantially collectible or recoverable through liens, and accordingly no allowance for uncollected taxes has been established.

10. Risk Management

The City is exposed to various risks of loss related to errors and omissions; automobile; damage to or destruction of assets; bodily injury; and worker’s compensation for which the City carries commercial insurance. There has been no significant reduction in insurance coverage from the prior year and settled claims have not reached the level of commercial coverage in any of the past three fiscal years.

11. New Accounting Pronouncement – GASB Statement No. 88

The Governmental Accounting Standards Board (GASB) has issued Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements. GASB Statement 88 amends GASB Statement 34 and GASB Statement 38 and improves disclosure requirements for notes to the financial statements related to debt, including direct borrowings and direct placements. GASB Statement 88 requires additional essential information about resources required to liquidate

CITY OF CASCADE LOCKS, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

debt and the risks associated with changes in terms associated with debt. The City implemented Statement 88 for the year ending June 30, 2019.

12. Deficit Fund Balances

The following fund had a deficit fund balance at June 30, 2019. This deficit will be financed through future revenues.

<u>Fund</u>	<u>Amount</u>
Grants Fund	\$ 20,323

REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements.

- Budgetary Comparison Schedules
 - General Fund
 - State Tax Street Fund
- Schedule of the Proportionate Share of the Net Pension Liability
- Schedule of Contributions Pension
- Schedule of Changes in Total OPEB Liabilities & Related Ratio's - Implicit Rate Subsidy
- Schedule of Contributions OPEB - Implicit Rate Subsidy
- Schedule of the Proportionate Share of the OPEB - OPERS
- Schedule of Contributions OPEB - OPERS

CITY OF CASCADE LOCKS, OREGON
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Fiscal Year Ended June 30, 2019

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ 231,000	\$ 231,000	\$ 260,911	\$ 29,911
Franchise fees	5,200	5,200	2,569	(2,631)
Charges for services	141,234	141,234	134,733	(6,501)
Intergovernmental	40,585	40,585	44,293	3,708
Fines and forfeitures	-	-	400	400
Special assessments	154,000	154,000	166,798	12,798
Interest	2,500	2,500	7,432	4,932
Miscellaneous	1,000	1,000	6,692	5,692
Rents	30,150	30,150	29,910	(240)
Total revenues	605,669	605,669	653,738	48,069
EXPENDITURES:				
General government	307,824	307,674	240,390	67,284
Public safety	108,314	108,314	96,496	11,818
Culture and recreation	131,628	131,778	79,995	51,783
Capital outlay	16,400	16,400	12,171	4,229
Contingency	77,183	77,183	-	77,183
Total expenditures	641,349	641,349	429,052	212,297
Revenues over (under) expenditures	(35,680)	(35,680)	224,686	260,366
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	147	147
Transfers out	(209,320)	(209,320)	(209,320)	-
Total other financing sources (uses)	(209,320)	(209,320)	(209,173)	147
Net changes in fund balance	(245,000)	(245,000)	15,513	260,513
FUND BALANCE, BEGINNING BUDGETARY BASIS	245,000	245,000	307,425	62,425
FUND BALANCE, ENDING BUDGETARY BASIS	\$ -	\$ -	322,938	\$ 322,938

CITY OF CASCADE LOCKS, OREGON
STATE TAX STREET FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Fiscal Year Ended June 30, 2019

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
State gas tax	\$ 94,000	\$ 94,000	\$ 98,348	\$ 4,348
Licenses and permits	1,500	1,500	3,750	2,250
Interest	600	600	3,888	3,288
Miscellaneous	-	-	10,000	10,000
Total revenues	<u>96,100</u>	<u>96,100</u>	<u>115,986</u>	<u>19,886</u>
EXPENDITURES:				
Personnel services	55,934	55,934	31,970	23,964
Materials and service	19,731	19,731	12,576	7,155
Capital outlay	35,000	35,000	-	35,000
Contingency	58,495	58,495	-	58,495
Total expenditures	<u>169,160</u>	<u>169,160</u>	<u>44,546</u>	<u>124,614</u>
Revenues over (under) expenditures	<u>(73,060)</u>	<u>(73,060)</u>	<u>71,440</u>	<u>144,500</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	14,000	14,000	14,000	-
Transfers out	(50,940)	(50,940)	(66,234)	(15,294)
Total other financing sources (uses)	<u>(36,940)</u>	<u>(36,940)</u>	<u>(52,234)</u>	<u>(15,294)</u>
Net changes in fund balance	(110,000)	(110,000)	19,206	129,206
FUND BALANCE, BEGINNING BUDGETARY BASIS	<u>110,000</u>	<u>110,000</u>	<u>151,750</u>	<u>41,750</u>
FUND BALANCE, ENDING BUDGETARY BASIS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 170,956</u>	<u>\$ 170,956</u>

CITY OF CASCADE LOCKS, OREGON
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
For the Last Ten Fiscal Years¹

Measurement Date June 30,	(a) City's proportion of the net pension liability (asset)	(b) City's proportionate share of the net pension liability (asset)	(c) City's covered payroll	(b/c) City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2018	0.00646906%	\$ 979,977	\$ 709,681	138.09%	82.10%
2017	0.00881127%	1,187,763	739,513	160.61%	83.10%
2016	0.00874994%	1,313,569	654,057	200.83%	80.53%
2015	0.00847096%	486,357	550,106	88.41%	91.90%
2014	0.01017141%	(230,556)	654,057	-35.25%	103.60%
2013	0.00847096%	519,062	550,106	94.36%	91.97%

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

¹This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

NOTES TO SCHEDULE

Changes in Benefit Terms:

The 2013 Oregon Legislature made a series of changes to PERS that lowered projected future benefit payments from the System. These changes included reductions to future Cost of Living Adjustments (COLA) made through Senate Bills 822 and 861. Senate Bill 822 also required the contribution rates scheduled to be in effect from July 2013 to June 2015 to be reduced. The Oregon Supreme Court decision in *Moro v. State of Oregon*, issued on April 30, 2015, reversed a significant portion of the reductions the 2013 Oregon Legislature made to future System Cost of Living Adjustments (COLA) through Senate Bills 822 and 861. This reversal increased the total pension liability as of June 30, 2015 compared to June 30, 2014 total pension liability.

Changes of Assumptions:

The PERS Board adopted assumption changes that were used to measure the June 30, 2016 total pension liability and June 30, 2018 total pension liability. For June 30, 2016, the changes included the lowering of the long-term expected rate of return to 7.50 percent and lowering of the assumed inflation to 2.50 percent. For June 30, 2018, the long-term expected rate of return was lowered to 7.20 percent. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave, and vacation pay were updated.

CITY OF CASCADE LOCKS, OREGON
SCHEDULE OF CONTRIBUTIONS PENSION
For the Last Ten Fiscal Years¹

Year Ended June 30,	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	(c) City's covered payroll	(b/c) Contributions as a percent of covered payroll
2019	\$ 178,898	\$ 178,898	\$ -	\$ 785,586	22.77%
2018	157,872	157,872	-	709,681	22.25%
2017	119,040	119,040	-	739,513	16.10%
2016	142,027	142,027	-	654,057	21.71%
2015	69,138	69,138	-	550,106	12.57%
2014	112,061	112,061	-	654,057	17.13%

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

¹This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

NOTES TO SCHEDULE

Actuarial Assumptions and Methods Used to Set the Actuarially Determined Contributions

Actuarial valuation:	December 31, 2015	December 31, 2013	December 31, 2011
Effective:	July 2017 - June 2019	July 2015 - June 2017	July 2013 - June 2015
Actuarial cost method:	Entry Age Normal	Entry Age Normal	Projected Unit Credit
Amortization method:	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll
Asset valuation method:	Market value	Market value	Market value
Remaining amortization periods:	20 years	20 years	N/A
Actuarial assumptions			
Inflation rate	2.50 percent	2.75 percent	2.75 percent
Projected salary increases	3.50 percent	3.75 percent	3.75 percent
Investment rate of return	7.50 percent	7.75 percent	8.00 percent

CITY OF CASCADE LOCKS, OREGON
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIO'S - IMPLICIT RATE SUBSIDY
For the Ten Fiscal Years¹

	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service Interest	\$ 4,250	\$ 4,642
Interest	3,465	3,429
Changes of benefit terms	-	-
Differences between expected and actual experience	(11,862)	-
Changes of assumptions	(18,138)	(5,911)
Benefit payment	<u>(27,024)</u>	<u>(23,634)</u>
Net change in total OPEB liability	<u>(49,309)</u>	<u>(21,474)</u>
Total OPEB liability - beginning	<u>105,935</u>	<u>127,409</u>
Total OPEB liability - ending (a)	<u><u>56,626</u></u>	<u><u>105,935</u></u>
Covered payroll	\$ 785,586	\$ 709,681
Total OPEB liability as a percentage of covered- employee payroll	7.21%	14.93%

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

¹This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

CITY OF CASCADE LOCKS, OREGON
SCHEDULE OF CONTRIBUTIONS OPEB - IMPLICIT RATE SUBSIDY
For the Last Ten Fiscal Years¹

Year Ended June 30,	(a) Actuarially determined contribution	(b) Contributions in relation to the actuarially required contribution	(a-b) deficiency (excess)	(c) City's covered payroll	(b/c) Contributions as a percent of covered payroll
2019	\$ 14,180	\$ 14,180	\$ -	\$ 785,586	1.81%
2018	27,024	27,024	-	709,681	3.81%
2017	23,634	23,634	-	739,513	3.20%

NOTES TO SCHEDULE

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

¹This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

Actuarial Assumptions and Methods Used to Set the Actuarially Determined Contributions

Actuarial valuation:	July 1, 2018	July 1, 2016
Effective:	June 30, 2018	June 30, 2016 and 2017
Actuarial cost method:	Entry Age Normal	Entry Age Normal
Amortization method:	Level percentage of payroll, closed	Level percentage of payroll, closed
Amortization period:	6.8 years	7.7 years
Asset valuation method:	Market value	Market value
Remaining amortization periods:	20 years	20 years
Actuarial assumptions		
Inflation rate	2.50 percent	2.50 percent
Projected salary increases	3.50 percent	3.50 percent

CITY OF CASCADE LOCKS, OREGON
SCHEDULE OF PROPORTIONATE SHARE OPEB - OPERS
For the Ten Fiscal Years¹

Measurement Date June 30,	(a) City's proportion of the net OPEB liability (asset)	(b) City's proportionate share of the net OPEB liability (asset)	(c) City's covered payroll	(b/c) City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2018	0.00694051%	\$ (7,747)	\$ 709,681	-1.09%	124.00%
2017	0.00599986%	(2,504)	739,513	-0.34%	108.90%

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

¹This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

NOTES TO SCHEDULE

Changes of Assumptions:

The PERS Board adopted assumption changes that were used to measure the June 30, 2018 total OPEB liability. The changes include lowering of the long-term expected rate of return to 7.20 percent. In addition, healthy retiree participation and healthy mortality assumptions were changes to reflect an updated trends and mortality improvement scale for all groups.

CITY OF CASCADE LOCKS, OREGON
SCHEDULE OF CONTRIBUTIONS OPEB - OPERS
For the Last Ten Fiscal Years¹

Year Ended June 30,	(a) Contractually determined contribution	(b) Contributions in relation to the actuarially required contribution	(a-b) Contribution deficiency (excess)	(c) City's covered payroll	(b/c) Contributions as a percent of covered payroll
2019	\$ 3,218	\$ 3,218	\$ -	\$ 785,586	0.41%
2018	3,361	3,361	-	709,681	0.47%
2017	2,987	2,987	-	739,513	0.40%

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

¹This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

NOTES TO SCHEDULE

Actuarial Assumptions and Methods Used to Set the Actuarially Determined Contributions

Actuarial valuation:	December 31, 2015	December 31, 2013	December 31, 2011
Effective:	July 2017 - June 2019	July 2015 - June 2017	July 2013 - June 2015
Actuarial cost method:	Entry Age Normal	Entry Age Normal	Projected Unit Credit
Amortization method:	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed
Amortization period:	10 years	10 years	10 years
Asset valuation method:	Market value	Market value	Market value
Remaining amortization periods:	20 years	20 years	N/A
Actuarial assumptions			
Inflation rate	2.50 percent	2.75 percent	2.75 percent
Projected salary increases	3.50 percent	3.75 percent	3.75 percent
Investment rate of return	7.50 percent	7.75 percent	8.00 percent
Healthcare cost trend rates	None. Statute stipulates \$60 monthly payment for healthcare insurance	None. Statute stipulates \$60 monthly payment for healthcare insurance	None. Statute stipulates \$60 monthly payment for healthcare insurance

CITY OF CASCADE LOCKS, OREGON
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2019

Stewardship, Compliance, and Accountability

A. Budgetary Information

On or before June 30 of each year, the City enacts a resolution approving the budget, appropriating the expenditures, and levying the property taxes. The City's budget is presented on the modified accrual basis of accounting which is the same basis as GAAP.

Prior to enacting this resolution, the proposed budget is presented to a budget committee consisting of members of the City Council 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 City budgets all funds as required by Oregon Local Budget Law.

The resolution authorizing appropriations for each fund sets the legal level of control by which expenditures cannot legally exceed appropriations. Total expenditures by department as established by the resolution are the legal level of control for the General Fund. Expenditure categories of personal services, materials and services, capital outlay, debt service, transfers, and contingency are the legal level of control for all other funds. The detail budget document, however, is required to contain more specific information for the above mentioned expenditure categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget. A supplemental budget requires hearings before the public, publications in newspapers, and adoption by the City Council. Management may modify original and supplemental budgets by the use of appropriation transfers between the legal levels of control within a fund. Such transfers require approval by the City Council. Management may not amend the budget without seeking the approval of the Council. The City had supplemental budgets during the year-ended June 30, 2019. Appropriations lapse as of year-end.

B. Deficit Fund Balances

At June 30, 2019, the following funds had a deficit budgetary basis fund balance:

<u>Fund</u>	<u>Amount</u>
Grants Fund	\$ 20,323

OTHER SUPPLEMENTARY INFORMATION

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Combining Statements – Nonmajor Governmental Funds
- Budgetary Comparison Schedule:

COMBINING STATEMENTS

Nonmajor Governmental Funds

Special Revenue Funds

These funds account for revenue derived from specific taxes or other earmarked revenue sources, which are legally restricted to expenditures for specified purposes. Funds included in this category are:

System Development Fund

The System Development Fund accounts for the revenue reserved for new infrastructure and is collected when a building permit is issued.

Grants Fund

The Grants fund accounts for all grants and activities received from grants.

Tourism Fund

The Tourism Fund accounts for 30% of Transient Room Tax submitted by local overnight establishments and is collected on a quarterly basis.

Cemetery Trust Fund

The Cemetery Trust Fund accounts for 30% of the revenue fees associated with the Cemetery.

CITY OF CASCADE LOCKS, OREGON
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2019

	System Development Fund	Grants Fund	Tourism Fund	Cemetery Trust Fund	Total
ASSETS					
Cash and cash equivalents	\$ 437,790	\$ -	\$ 1,715	\$ 9,109	\$ 448,614
Accounts receivable	-	-	21,055	-	21,055
Total assets	<u>\$ 437,790</u>	<u>\$ -</u>	<u>\$ 22,770</u>	<u>\$ 9,109</u>	<u>\$ 469,669</u>
LIABILITIES:					
Accounts payable and other current liabilities	\$ -	\$ 13,740	\$ 930	\$ -	\$ 14,670
Due to other funds	-	6,583	-	-	6,583
Total liabilities	<u>-</u>	<u>20,323</u>	<u>930</u>	<u>-</u>	<u>21,253</u>
FUND BALANCES:					
Restricted for:					
Cemetery maintenance	-	-	-	9,109	9,109
System development	437,790	-	-	-	437,790
Tourism	-	-	21,840	-	21,840
Unassigned	-	(20,323)	-	-	(20,323)
Total fund balances	<u>437,790</u>	<u>(20,323)</u>	<u>21,840</u>	<u>9,109</u>	<u>448,416</u>
Total liabilities and fund balances	<u>\$ 437,790</u>	<u>\$ -</u>	<u>\$ 22,770</u>	<u>\$ 9,109</u>	<u>\$ 469,669</u>

CITY OF CASCADE LOCKS, OREGON
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2018

	System Development Fund	Grants Fund	Tourism Fund	Cemetery Trust Fund	Total
REVENUES:					
Grants	\$ -	\$ 102,059	\$ -	\$ -	\$ 102,059
Charges for service	-	-	-	165	165
Special assessments	-	-	71,485	-	71,485
Interest	9,434	-	503	212	10,149
Miscellaneous	-	-	1,710	-	1,710
System development charges	70,971	-	-	-	70,971
Total revenues	80,405	102,059	73,698	377	256,539
EXPENDITURES:					
General government	-	176,839	-	-	176,839
Culture and recreation	-	-	85,032	-	85,032
Capital outlay	20,444	-	-	-	20,444
Total expenditures	20,444	176,839	85,032	-	282,315
Revenues over (under) expenditures	59,961	(74,780)	(11,334)	377	(25,776)
OTHER FINANCING SOURCES (USES):					
Transfers in	-	54,366	-	3,300	57,666
Transfers out	-	-	-	(3,300)	(3,300)
Total other financing sources (uses)	-	54,366	-	-	54,366
Net change in fund balances	59,961	(20,414)	(11,334)	377	28,590
FUND BALANCE, BEGINNING GAAP	377,829	91	33,174	8,732	419,826
FUND BALANCE, ENDING GAAP	\$ 437,790	\$ (20,323)	\$ 21,840	\$ 9,109	\$ 448,416

BUDGETARY COMPARISON SCHEDULES

Pursuant to the provisions of Oregon Revised Statute, an individual schedule of revenues, expenditures, and changes in fund balances - budget and actual be displayed for each fund where legally adopted budgets are required.

Governmental Budgetary Comparison Schedules included the following:

- General Fund Schedule of Expenditures
- Capital Reserve 08 Fund
- Nonmajor Special Revenue Funds
 - System Development Fund
 - Grants Fund
 - Tourism Fund
 - Cemetery Trust Fund

CITY OF CASCADE LOCKS, OREGON
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2019

	Budget		Actual	Variance with Final Budget
	Original	Final		
Administrative:				
Personnel services	\$ 220,303	\$ 220,303	\$ 190,894	\$ 29,409
Materials and services	55,021	54,871	28,625	26,246
Capital outlay	14,000	14,000	-	14,000
Subtotal	<u>289,324</u>	<u>289,174</u>	<u>219,519</u>	<u>69,655</u>
Planning:				
Materials and services	32,500	32,500	20,871	11,629
Subtotal	<u>32,500</u>	<u>32,500</u>	<u>20,871</u>	<u>11,629</u>
Agency:				
Materials and services	8,870	8,870	5,296	3,574
Capital outlay	2,400	2,400	1,860	540
Subtotal	<u>11,270</u>	<u>11,270</u>	<u>7,156</u>	<u>4,114</u>
Property:				
Personnel services	70,848	70,848	51,192	19,656
Materials and services	33,708	33,708	9,076	24,632
Capital outlay	-	-	10,311	(10,311) *
Subtotal	<u>104,556</u>	<u>104,556</u>	<u>70,579</u>	<u>33,977</u>
Police:				
Materials and services	99,444	99,444	91,200	8,244
Subtotal	<u>99,444</u>	<u>99,444</u>	<u>91,200</u>	<u>8,244</u>
Museum:				
Materials and services	1,750	1,900	2,017	(117)
Subtotal	<u>1,750</u>	<u>1,900</u>	<u>2,017</u>	<u>(117)</u>
Community relations:				
Materials and services	25,322	25,322	17,710	7,612
Subtotal	<u>25,322</u>	<u>25,322</u>	<u>17,710</u>	<u>7,612</u>
Total expenditures	<u>\$ 564,166</u>	<u>\$ 564,166</u>	<u>\$ 429,052</u>	<u>\$ 135,114</u>

* Budgetary appropriation includes personnel services, materials and services, and capital outlay

CITY OF CASCADE LOCKS, OREGON
CAPITAL RESERVE 08 FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Fiscal Year Ended June 30, 2019

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Interest	\$ 6,000	\$ 6,000	\$ 31,539	\$ 25,539
Total revenues	6,000	6,000	31,539	25,539
EXPENDITURES:				
Capital outlay	1,400,160	1,400,160	44,814	1,355,346
Total expenditures	1,400,160	1,400,160	44,814	1,355,346
Revenues over (under) expenditures	(1,394,160)	(1,394,160)	(13,275)	1,380,885
OTHER FINANCING SOURCES (USES):				
Interfund loan proceeds (payments)	2,460	2,460	2,459	(1)
Transfers in	263,440	263,440	157,161	(106,279)
Transfers out	(210,000)	(210,000)	(154,071)	55,929
Total other financing sources (uses)	55,900	55,900	5,549	(50,351)
Net changes in fund balance	(1,338,260)	(1,338,260)	(7,726)	1,330,534
FUND BALANCE, BEGINNING BUDGETARY BASIS	<u>1,338,260</u>	<u>1,338,260</u>	<u>1,251,124</u>	<u>(87,136)</u>
FUND BALANCE, ENDING BUDGETARY BASIS	<u>\$ -</u>	<u>\$ -</u>	<u>1,243,398</u>	<u>\$ 1,243,398</u>
INTERFUND LOAN RECEIVABLE			<u>918</u>	
FUND BALANCE, ENDING GAAP			<u>\$ 1,244,316</u>	

CITY OF CASCADE LOCKS, OREGON
SYSTEM DEVELOPMENT FUND
COMBINING SCHEDULE OF NET POSITION
AND CHANGES IN Net Position
For the Fiscal Year Ended June 30, 2019

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Interest	\$ 3,200	\$ 3,200	\$ 9,434	\$ 6,234
System development charges	-	-	70,971	70,971
Total revenues	3,200	3,200	80,405	77,205
EXPENDITURES:				
Capital outlay	338,200	338,200	20,444	317,756
Total expenditures	338,200	338,200	20,444	317,756
Net changes in fund balances	(335,000)	(335,000)	59,961	394,961
FUND BALANCE, BEGINNING BUDGETARY BASIS	335,000	335,000	377,829	42,829
FUND BALANCE, ENDING BUDGETARY BASIS	\$ -	\$ -	\$ 437,790	\$ 437,790

CITY OF CASCADE LOCKS, OREGON
GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2019

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Grants	\$ 355,000	\$ 355,000	\$ 102,059	(252,941)
Total revenues	355,000	355,000	102,059	(252,941)
EXPENDITURES:				
Materials and service	450,000	450,000	176,839	273,161
Total expenditures	450,000	450,000	176,839	273,161
Revenues over (under) expenditure:	(95,000)	(95,000)	(74,780)	20,220
OTHER FINANCING SOURCES (USES):				
Transfers in	95,000	95,000	54,366	(40,634)
Total other financing sources (uses)	95,000	95,000	54,366	(40,634)
Net changes in fund balance	-	-	(20,414)	(20,414)
FUND BALANCE, BEGINNING BUDGETARY BASIS	-	-	91	91
FUND BALANCE, ENDING BUDGETARY BASIS	\$ -	\$ -	\$ (20,323)	\$ (20,323)

CITY OF CASCADE LOCKS, OREGON
TOURISM FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2019

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Special assessments	\$ 66,000	\$ 66,000	\$ 71,485	\$ 5,485
Interest	1,000	1,000	503	(497)
Miscellaneous	2,000	2,000	1,710	(290)
Total revenues	69,000	69,000	73,698	4,698
EXPENDITURES:				
Materials and service	73,920	83,920	85,032	(1,112)
Contingency	19,110	9,110	-	9,110
Total expenditures	93,030	93,030	85,032	7,998
Revenues over (under) expenditures	(24,030)	(24,030)	(11,334)	12,696
OTHER FINANCING SOURCES (USES):				
Transfers out	(30,000)	(30,000)	-	30,000
Total other financing sources (uses)	(30,000)	(30,000)	-	30,000
Net changes in fund balance	(54,030)	(54,030)	(11,334)	42,696
FUND BALANCE, BEGINNING BUDGETARY BASIS	54,030	54,030	33,174	(20,856)
FUND BALANCE, ENDING BUDGETARY BASIS	\$ -	\$ -	\$ 21,840	\$ 21,840

**CITY OF CASCADE LOCKS, OREGON
CEMETERY TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2019**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for service	\$ -	\$ -	\$ 165	\$ 165
Interest	-	-	212	212
Total revenues	-	-	377	377
EXPENDITURES:				
Capital outlay	8,664	8,664	-	8,664
Total expenditures	8,664	8,664	-	8,664
Revenues over (under) expenditures	(8,664)	(8,664)	377	9,041
OTHER FINANCING SOURCES (USES):				
Transfers in	3,300	3,300	3,300	-
Transfers out	(3,300)	(3,300)	(3,300)	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance	(8,664)	(8,664)	377	9,041
FUND BALANCE, BEGINNING BUDGETARY BASIS	8,664	8,664	8,732	68
FUND BALANCE, ENDING BUDGETARY BASIS	\$ -	\$ -	\$ 9,109	\$ 9,109

BUDGETARY COMPARISON STATEMENTS AND SCHEDULES

Enterprise Funds

Pursuant to the provisions of Oregon Revised Statute, an individual schedule of revenues, expenditures, and changes in fund balances - budget and actual be displayed for each fund where legally adopted budgets are required.

Enterprise Budgetary Comparison statements and schedules include the following:

- Electrical Fund
- Emergency Services Fund
- Sewer Operations
 - Sewer Fund
 - Sewer Bond Fund
 - Sewer Bond 2018 Refinance Fund
 - Sewer Facilities Project Fund
- Water Operations
 - Water Fund
 - Water System Improvement Fund
 - Corrosion Control Treatment Fund
- Nonmajor Proprietary Funds
 - CATV Fund
 - Cemetery Fund

CITY OF CASCADE LOCKS, OREGON
ELECTRICAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2019

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services	\$ 1,774,233	\$ 1,844,233	\$ 1,924,826	\$ 80,593
Interest	600	600	5,745	5,145
Miscellaneous	15,050	15,050	17,629	2,579
Total revenues	1,789,883	1,859,883	1,948,200	88,317
EXPENDITURES:				
Personnel services	737,143	737,143	511,645	225,498
Materials and service	1,139,168	1,209,168	1,424,563	(215,395) *
Capital outlay	18,500	18,500	11,784	6,716
Debt service:				
Principal	15,055	15,055	15,087	(32) *
Interest	469	469	436	33
Contingency	10,948	10,948	-	10,948
Total expenditures	1,921,283	1,991,283	1,963,515	27,768
Revenues over (under) expenditures	(131,400)	(131,400)	(15,315)	116,085
OTHER FINANCING SOURCES (USES):				
Transfers in	135,000	135,000	135,000	-
Transfers out	(3,600)	(3,600)	(3,600)	-
Total other financing sources (uses)	131,400	131,400	131,400	-
Net changes in fund balance	-	-	116,085	116,085
FUND BALANCE, BEGINNING				
Restatement	-	-	(21,886)	(21,886)
	-	-	362,787	362,787
FUND BALANCES, BEGINNING BUDGETARY BASIS RESTATED				
	-	-	340,901	340,901
FUND BALANCE, ENDING				
	\$ -	\$ -	456,986	\$ 456,986
RECONCILIATION TO NET POSITION - GAAP BASIS				
Capital assets, net			2,780,065	
Deferred outflows related to pensions			131,460	
Deferred outflows related to OPEB			4,138	
Loan payable			(10,785)	
Net pension liability			(233,057)	
Net pension transitional liability			(165,099)	
Net OPEB asset			1,842	
Net OPEB liability			(13,467)	
Deferred inflows related to pensions			(58,593)	
Deferred inflows related to OPEB			(7,705)	
NET POSITION			<u>\$ 2,885,785</u>	

* Budgetary appropriation includes personnel services, materials and services, capital outlay and debt service

CITY OF CASCADE LOCKS, OREGON
EMERGENCY SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2019

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for service	\$ 206,500	\$ 206,500	\$ 145,674	\$ (60,826)
Licenses and permits	-	-	435	435
Interest	100	100	794	694
Miscellaneous	3,500	3,500	3,445	(55)
Total revenues	<u>210,100</u>	<u>210,100</u>	<u>150,348</u>	<u>(59,752)</u>
EXPENDITURES:				
Personnel services	300,269	300,269	280,502	19,767
Materials and service	98,633	98,633	89,510	9,123
Capital outlay	49,000	49,000	7,709	41,291
Contingency	46,758	46,758	-	46,758
Total expenditures	<u>494,660</u>	<u>494,660</u>	<u>377,721</u>	<u>116,939</u>
Revenues over (under) expenditures	<u>(284,560)</u>	<u>(284,560)</u>	<u>(227,373)</u>	<u>57,187</u>
OTHER FINANCING SOURCES (USES):				
Interfund loan proceeds (payments)	(2,460)	(2,460)	(2,459)	1
Transfers in	187,020	187,020	187,020	-
Total other financing sources (uses)	<u>184,560</u>	<u>184,560</u>	<u>184,561</u>	<u>1</u>
Net changes in fund balance	(100,000)	(100,000)	(42,812)	57,188
FUND BALANCE, BEGINNING	100,000	100,000	73,217	(26,783)
Restatement	-	-	(20,282)	(20,282)
FUND BALANCES, BEGINNING BUDGETARY BASIS R	<u>100,000</u>	<u>100,000</u>	<u>52,935</u>	<u>(47,065)</u>
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ -</u>	10,123	<u>\$ 10,123</u>
RECONCILIATION TO NET POSITION - GAAP BASIS				
Capital assets, net			1,577,833	
Deferred outflows related to pensions			91,333	
Deferred outflows related to OPEB			2,875	
Interfund loan			(918)	
Net pension liability			(161,918)	
Net pension transitional liability			(59,975)	
Net OPEB asset			1,280	
Net OPEB liability			(9,356)	
Deferred inflows related to pensions			(40,708)	
Deferred inflows related to OPEB			(5,353)	
NET POSITION			<u>\$ 1,405,216</u>	

CITY OF CASCADE LOCKS, OREGON
SEWER OPERATIONS COMBINED
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN NET POSITION
For the Fiscal Year Ended June 30, 2019

	Sewer Fund	Sewer Bond Fund	Sewer Bond 2018 Refinance Fund	Sewer Facilities Project Fund	Total Sewer Operations
REVENUES:					
Charges for service	\$ 413,968	\$ -	\$ -	\$ -	\$ 413,968
Interest	2,951	-	121	-	3,072
Miscellaneous	21,074	-	-	-	21,074
Total revenues	437,993	-	121	-	438,114
EXPENDITURES:					
Personnel services	50,167	-	-	-	50,167
Materials and service	288,368	-	-	-	288,368
Debt service:					
Principal	-	-	55,000	-	55,000
Interest	-	-	20,571	-	20,571
Total expenditures	338,535	-	75,571	-	414,106
Revenues over (under) expenditures	99,458	-	(75,450)	-	24,008
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	78,186	-	78,186
Transfers out	(78,187)	(63,177)	-	-	(141,364)
Total other financing sources (uses)	(78,187)	(63,177)	78,186	-	(63,178)
Net change in fund balances	21,271	(63,177)	2,736	-	(39,170)
FUND BALANCES, BEGINNING BUDGETARY BASIS					
Restatement	161,181	63,177	-	-	224,358
	3,691	-	-	-	3,691
FUND BALANCES, BEGINNING BUDGETARY BASIS RESTATED					
	164,872	63,177	-	-	228,049
FUND BALANCES, ENDING BUDGETARY BASIS					
	\$ 186,143	\$ -	\$ 2,736	\$ -	188,879
RECONCILIATION TO NET POSITION - GAAP BASIS					
Capital assets, net					3,613,209
Deferred outflows related to pensions					22,767
Deferred outflows related to OPEB					717
Accrued interest					(1,511)
Loan payable					(495,000)
Net pension liability					(40,363)
Net pension transitional liability					(22,847)
Net OPEB asset					319
Net OPEB liability					(2,332)
Deferred inflows related to pensions					(10,148)
Deferred inflows related to OPEB					(1,334)
NET POSITION					<u>\$ 3,252,356</u>

CITY OF CASCADE LOCKS, OREGON
SEWER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2019

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for service	\$ 517,680	\$ 517,680	\$ 413,968	\$ (103,712)
Interest	1,400	1,400	2,951	1,551
Miscellaneous	1,000	1,000	21,074	20,074
Total revenues	<u>520,080</u>	<u>520,080</u>	<u>437,993</u>	<u>(82,087)</u>
EXPENDITURES:				
Personnel services	42,168	42,168	50,167	(7,999) *
Materials and service	227,607	267,607	288,368	(20,761) *
Capital outlay	34,000	34,000	-	34,000
Contingency	55,414	55,414	-	55,414
Total expenditures	<u>359,189</u>	<u>399,189</u>	<u>338,535</u>	<u>60,654</u>
Revenues over (under) expenditures	<u>160,891</u>	<u>120,891</u>	<u>99,458</u>	<u>(21,433)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(280,391)</u>	<u>(280,391)</u>	<u>(78,187)</u>	<u>202,204</u>
Total other financing sources (uses)	<u>(280,391)</u>	<u>(280,391)</u>	<u>(78,187)</u>	<u>202,204</u>
Net changes in fund balance	(119,500)	(159,500)	21,271	180,771
FUND BALANCE, BEGINNING	119,500	159,500	161,181	1,681
Restatement	<u>-</u>	<u>-</u>	<u>3,691</u>	<u>3,691</u>
FUND BALANCES, BEGINNING BUDGETARY BASIS	<u>119,500</u>	<u>159,500</u>	<u>164,872</u>	<u>5,372</u>
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 186,143</u>	<u>\$ 186,143</u>

* Budgetary appropriation includes personnel services, materials and services, and capital outlay

CITY OF CASCADE LOCKS, OREGON
SEWER BOND FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2019

	Budget		Actual	Variance with Final Budget
	Original	Final		
OTHER FINANCING SOURCES (USES):				
Transfers out	\$ (63,500)	\$ (63,500)	\$ (63,177)	\$ 323
Total other financing sources (uses)	(63,500)	(63,500)	(63,177)	323
Net changes in fund balance	(63,500)	(63,500)	(63,177)	323
FUND BALANCE, BEGINNING	63,500	63,500	63,177	(323)
FUND BALANCE, ENDING	\$ -	\$ -	\$ -	\$ -

* Exception to Local Budget Law

CITY OF CASCADE LOCKS, OREGON
 SEWER FACILITIES PROJECT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2019

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
EXPENDITURES:				
Debt service:				
Principal	\$ 127,680	\$ 127,680	\$ -	\$ 127,680
Total expenditures	127,680	127,680	-	127,680
Revenues over (under) expenditures	(127,680)	(127,680)	-	127,680
OTHER FINANCING SOURCES (USES):				
Transfers in	127,680	127,680	-	(127,680)
Total other financing sources (uses)	127,680	127,680	-	(127,680)
Net changes in fund balances	-	-	-	-
FUND BALANCES, BEGINNING	-	-	-	-
FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF CASCADE LOCKS, OREGON
WATER FUND COMBINED
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2019

	Water Fund	Water System Improvement Fund	Corrosion Control Treatment Fund	Total Water Fund
REVENUES:				
Charges for service	\$ 500,287	\$ -	\$ -	\$ 500,287
Interest	5,208	1,249	146	6,603
Miscellaneous	105,650	-	-	105,650
Total revenues	<u>611,145</u>	<u>1,249</u>	<u>146</u>	<u>612,540</u>
EXPENDITURES:				
Personnel services	101,247	-	-	101,247
Materials and service	1,137,583	-	-	1,137,583
Capital outlay	13,800	-	-	13,800
Debt service:				
Interest	-	92,835	-	92,835
Total expenditures	<u>1,252,630</u>	<u>92,835</u>	<u>-</u>	<u>1,345,465</u>
Revenues over (under) expenditures	(641,485)	(91,586)	146	(732,925)
OTHER FINANCING SOURCES (USES):				
Loan proceeds	1,450,417	-	-	1,450,417
Transfers in	3,600	194,403	13,047	211,050
Transfers out	(265,494)	-	-	(265,494)
Total other financing sources (uses)	<u>1,188,523</u>	<u>194,403</u>	<u>13,047</u>	<u>1,395,973</u>
Net changes in fund balance	547,038	102,817	13,193	663,048
FUND BALANCES, BEGINNING BUDGETARY BASIS				
Restatement	53,129	-	-	53,129
	<u>(180,489)</u>	<u>-</u>	<u>-</u>	<u>(180,489)</u>
FUND BALANCES, BEGINNING BUDGETARY BASIS RESTATED				
	<u>(127,360)</u>	<u>-</u>	<u>-</u>	<u>(127,360)</u>
FUND BALANCES, ENDING BUDGETARY BASIS				
	<u>\$ 419,678</u>	<u>\$ 102,817</u>	<u>\$ 13,193</u>	<u>535,688</u>
RECONCILIATION TO NET POSITION - GAAP BASIS				
Capital assets, net				4,309,550
Deferred outflows related to pensions				34,844
Deferred outflows related to OPEB				1,097
Water project loan				(3,415,476)
Net pension liability				(61,773)
Net pension transitional liability				(32,572)
Net OPEB asset				488
Net OPEB liability				(3,569)
Deferred inflows related to pensions				(15,530)
Deferred inflows related to OPEB				<u>(2,042)</u>
NET POSITION				<u>\$ 1,350,705</u>

CITY OF CASCADE LOCKS, OREGON
WATER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2019

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Charges for service	\$ 482,839	\$ 482,839	\$ 500,287	\$ 17,448
Interest	350	350	5,208	4,858
Miscellaneous	500	500	105,650	105,150
Total revenues	483,689	483,689	611,145	127,456
EXPENDITURES:				
Personnel services	101,998	101,998	101,247	751
Materials and service	3,923,655	3,923,655	1,137,583	2,786,072
Capital outlay	26,500	26,500	13,800	12,700
Contingency	76,812	76,812	-	76,812
Total expenditures	4,128,965	4,128,965	1,252,630	2,876,335
Revenues over (under) expenditures	(3,645,276)	(3,645,276)	(641,485)	3,003,791
OTHER FINANCING SOURCES (USES):				
Loan proceeds	3,764,515	3,764,515	1,450,417	(2,314,098)
Transfers in	3,600	3,600	3,600	-
Transfers out	(272,839)	(272,839)	(265,494)	7,345
Total other financing sources (uses)	3,495,276	3,495,276	1,188,523	(2,306,753)
Net changes in fund balance	(150,000)	(150,000)	547,038	697,038
FUND BALANCE, BEGINNING	150,000	150,000	53,129	(96,871)
Restatement	-	-	(180,489)	(180,489)
FUND BALANCES, BEGINNING BUDGETARY BASIS RESTATED	150,000	150,000	(127,360)	(277,360)
FUND BALANCE, ENDING	\$ -	\$ -	\$ 419,678	\$ 419,678

CITY OF CASCADE LOCKS, OREGON
WATER SYSTEM IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2019

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Interest	\$ -	\$ -	\$ 1,249	\$ 1,249
Total revenues	-	-	1,249	1,249
EXPENDITURES:				
Debt service:				
Principal	143,751	143,751	-	143,751
Interest	92,835	92,835	92,835	-
Total expenditures	236,586	236,586	92,835	143,751
Revenues over (under) expenditures	(236,586)	(236,586)	(91,586)	145,000
OTHER FINANCING SOURCES (USES):				
Transfers in	200,189	200,189	194,403	(5,786)
Total other financing sources (uses)	200,189	200,189	194,403	(5,786)
Net changes in fund balance	(36,397)	(36,397)	102,817	139,214
FUND BALANCE, BEGINNING	36,397	36,397	-	(36,397)
FUND BALANCE, ENDING	\$ -	\$ -	\$ 102,817	\$ 102,817

CITY OF CASCADE LOCKS, OREGON
CORROSION CONTROL TREATMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2019

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Interest	\$ -	\$ -	\$ 146	\$ 146
Total revenues	-	-	146	146
EXPENDITURES:				
Debt service:				
Principal	18,200	18,200	-	18,200
Total expenditures	18,200	18,200	-	18,200
Revenues over (under) expenditures	(18,200)	(18,200)	146	18,346
OTHER FINANCING SOURCES (USES):				
Transfers in	13,650	13,650	13,047	(603)
Total other financing sources (uses)	13,650	13,650	13,047	(603)
Net changes in fund balance	(4,550)	(4,550)	13,193	17,743
FUND BALANCE, BEGINNING	4,550	4,550	-	(4,550)
FUND BALANCE, ENDING	\$ -	\$ -	\$ 13,193	\$ 13,193

CITY OF CASCADE LOCKS, OREGON
NONMAJOR PROPRIETARY FUNDS COMBINED
STATEMENT OF NET POSITION
June 30, 2019

	Business-Type Activities - Enterprise Funds		
	CATV Fund	Cemetery Fund	Total
ASSETS:			
Cash and cash equivalents	\$ 1,526	\$ 6,902	\$ 8,428
Total current assets	1,526	6,902	8,428
Nondepreciable capital assets	-	30,817	30,817
Total noncurrent assets	-	30,817	30,817
Total assets	\$ 1,526	\$ 37,719	\$ 39,245
CURRENT LIABILITIES:			
Accounts payable and accrued expenses	\$ -	\$ 262	\$ 262
Current portion of long-term debt	-	152	152
Total liabilities	-	414	414
NET POSITION:			
Net investment in capital assets	-	30,817	30,817
Unrestricted	1,526	6,488	8,014
Total net position	1,526	37,305	38,831
Total liabilities & net position	\$ 1,526	\$ 37,719	\$ 39,245

CITY OF CASCADE LOCKS, OREGON
NONMAJOR PROPRIETARY FUNDS COMBINED
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Fiscal Year Ended June 30, 2019

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Total CATV Fund</u>	<u>Total Cemetery Fund</u>	<u>Total</u>
REVENUES:			
Charges for service	\$ -	\$ 1,060	\$ 1,060
Interest	-	153	153
Total revenues	<u>-</u>	<u>1,213</u>	<u>1,213</u>
EXPENDITURES:			
Personnel services	-	1,634	1,634
Materials and service	-	2,195	2,195
Total expenditures	<u>-</u>	<u>3,829</u>	<u>3,829</u>
Revenues over (under) expenditures	<u>-</u>	<u>(2,616)</u>	<u>(2,616)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	-	3,300	3,300
Transfers out	(147)	-	(147)
Total other financing sources (uses)	<u>(147)</u>	<u>3,300</u>	<u>3,153</u>
Net change in fund balances	(147)	684	537
FUND BALANCES, BEGINNING BUDGETARY BASIS	147	5,804	5,951
Restatement	1,526	-	1,526
FUND BALANCES, BEGINNING BUDGETARY BASIS RESTATED	<u>1,673</u>	<u>5,804</u>	<u>7,477</u>
FUND BALANCES, ENDING BUDGETARY BASIS	<u>\$ 1,526</u>	<u>\$ 6,488</u>	8,014
RECONCILIATION TO NET POSITION - GAAP BASIS			
Capital assets, net			<u>30,817</u>
NET POSITION			<u>\$ 38,831</u>

CITY OF CASCADE LOCKS, OREGON
 CATV FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2019

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
OTHER FINANCING SOURCES (USES):				
Transfers out	\$ (148)	\$ (148)	\$ (147)	\$ 1
Total other financing sources (uses)	(148)	(148)	(147)	1
Net changes in fund balance	(148)	(148)	(147)	1
FUND BALANCE, BEGINNING	148	148	147	(1)
Restatement	-	-	1,526	1,526
FUND BALANCES, BEGINNING BUDGETARY BASIS RESTATED	148	148	1,673	1,525
FUND BALANCE, ENDING	\$ -	\$ -	\$ 1,526	\$ 1,526

**CITY OF CASCADE LOCKS, OREGON
CEMETERY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2019**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Charges for service	\$ 2,300	\$ 2,300	\$ 1,060	\$ (1,240)
Interest	25	25	153	128
Total revenues	<u>2,325</u>	<u>2,325</u>	<u>1,213</u>	<u>(1,112)</u>
EXPENDITURES:				
Personnel services	5,485	5,485	1,634	3,851
Materials and service	<u>2,140</u>	<u>2,140</u>	<u>2,195</u>	<u>(55) *</u>
Total expenditures	<u>7,625</u>	<u>7,625</u>	<u>3,829</u>	<u>3,796</u>
Revenues over (under) expenditures	(5,300)	(5,300)	(2,616)	2,684
OTHER FINANCING SOURCES (USES):				
Transfers in	<u>3,300</u>	<u>3,300</u>	<u>3,300</u>	<u>-</u>
Total other financing sources (uses)	<u>3,300</u>	<u>3,300</u>	<u>3,300</u>	<u>-</u>
Net changes in fund balance	(2,000)	(2,000)	684	2,684
FUND BALANCE, BEGINNING	2,000	2,000	5,804	3,804
Restatement	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, BEGINNING BUDGETARY BA	<u>2,000</u>	<u>2,000</u>	<u>5,804</u>	<u>3,804</u>
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,488</u>	<u>\$ 6,488</u>

* Budgetary appropriation includes personnel services, materials and services, capital outlay and debt service

CITY OF CASCADE LOCKS, OREGON
SEWER OPERATIONS
COMPARATIVE BALANCE SHEET
June 30, 2018 and 2109

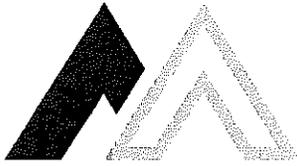
	<u>2019</u>	<u>2018</u>
ASSETS:		
Cash and cash equivalents	\$ 128,611	\$ 112,357
Accounts receivables, net	72,759	71,078
Inventories	2,576	1,884
Total current assets	<u>203,946</u>	<u>185,319</u>
Restricted cash	302	63,479
Net other postemployment benefit asset	319	-
Nondepreciable	83,179	1,000
Depreciable, net	3,530,030	3,644,694
Total noncurrent assets	<u>3,613,830</u>	<u>3,709,173</u>
Total assets	<u>3,817,776</u>	<u>3,894,492</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflow related to pension	22,767	18,591
Deferred outflow related to OPEB	717	1,071
Total deferred outflows of resources	<u>23,484</u>	<u>19,662</u>
Total assets & deferred outflows of resources	<u>\$ 3,841,260</u>	<u>\$ 3,914,154</u>
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 14,033	\$ 19,949
Interest payable	1,511	999
Current portion of long-term debt	56,336	55,802
Total current liabilities	<u>71,880</u>	<u>76,750</u>
NONCURRENT LIABILITIES:		
Noncurrent portion of long-term debt	440,000	495,000
Net pension liability	40,363	41,871
Pension transitional liability	22,847	23,974
Net other postemployment benefit liability	2,332	3,646
Total noncurrent liabilities	<u>505,542</u>	<u>564,491</u>
Total liabilities	<u>577,422</u>	<u>641,241</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflow related to pension	10,148	561
Deferred inflow related to OPEB	1,334	231
Total deferred inflows of resources	<u>11,482</u>	<u>792</u>
NET POSITION:		
Net investment in capital assets	3,116,873	3,094,892
Restricted for:		
Debt service (expendable)	-	63,177
Unrestricted	135,483	114,052
Total net position	<u>3,252,356</u>	<u>3,272,121</u>
Total liabilities & net position	<u>\$ 3,841,260</u>	<u>\$ 3,914,154</u>

CITY OF CASCADE LOCKS, OREGON
SEWER OPERATIONS
COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
For the Fiscal Years Ended June 30, 2018 and 2019

	<u>2019</u>	<u>2018</u>
OPERATING REVENUES:		
Charges for service	\$ 413,968	\$ 399,560
Miscellaneous	21,074	75,377
	<u>435,042</u>	<u>474,937</u>
OPERATING EXPENSES:		
Personal services	52,767	28,962
Materials and services	191,484	251,335
Depreciation	129,369	129,369
	<u>373,620</u>	<u>409,666</u>
Total operating expenses	373,620	409,666
Operating income (loss)	61,422	65,271
NON-OPERATING REVENUES (EXPENSES):		
Interest income	3,072	3,221
Interest expense	(21,083)	(14,317)
	<u>(18,011)</u>	<u>(11,096)</u>
Total non-operating revenues (expenses)	(18,011)	(11,096)
Net income (loss) before operating transfers	43,411	54,175
OPERATING TRANSFERS:		
Transfers in (out)	(63,178)	(100,000)
Net income (loss)	<u>\$ (19,767)</u>	<u>\$ (45,825)</u>

THIS PAGE INTENTIONALLY LEFT BLANK

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *OREGON STATE REGULATION***



**INDEPENDENT AUDITOR’S REPORT
ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH OREGON STATE REGULATION**

Honorable Mayor and City Council
City of Cascade Locks, Oregon

We have audited the basic financial statements of City of Cascade Locks, Oregon, as of and for the year ended June 30, 2019 and have issued our report thereon dated December 30, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the *Minimum Standards of Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether City of Cascade Locks, Oregon’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of Oregon Revised Statutes as specified in the Oregon Administrative Rules 162 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 statement amounts:

- Deposits of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions, and repayments.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Highway revenues used for public highways, roads, and streets.
- Authorized investment of surplus funds. (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, and 279C).
- Accountability for collecting or receiving money by elected officials. The City does not have any elected officials collecting or receiving money.

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. In connection with our testing, nothing came to our attention that caused us to believe City of Cascade Locks, Oregon was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in the Oregon Administrative Rules 162-10-000 through 162-10-330 of the *Minimum Standards for Audits of Oregon Municipal Corporations* except as follows.

1. Expenditures in excess of appropriations in the:

a.	General Fund – Museum	Material and Services	\$117
b.	State Tax Street Fund	Transfers Out	\$15,294

OAR 162-10-0230 Internal Control

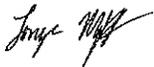
In planning and performing our audit, we considered City of Cascade Locks, Oregon's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Cascade Locks, Oregon's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Cascade Locks, Oregon's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Minimum Standards of Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



For Merina+Co
Tualatin, Oregon
December 30, 2019

