

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2020



**12700 SW 72nd Ave.
Tigard, OR 97223**

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

FINANCIAL REPORT

2019-2020

CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON

MAYOR AND CITY COUNCIL MEMBERS AS OF JUNE 30, 2020

NAME

TERM EXPIRES

Rick Scholl – Mayor
555 N. 10th Street
St. Helens, OR 97051

December 31, 2020

Douglas Morten
484 Grey Cliffs Drive
St. Helens, OR 97051

December 31, 2022

Keith Locke
90 Columbia Blvd.
St. Helens, OR 97051

December 31, 2020

Stephen R. Topaz
360 St. Helens Street
St. Helens, OR 97051

December 31, 2022

Ginny Carlson
390 N. 5th Street Apt. A
St. Helens, OR 97051

December 31, 2020

CITY STAFF

John Walsh, City Administrator
Matt Brown, Deputy City Administrator
Kathy Payne, City Recorder
Brian Greenway, Police Chief
Mouhamad Zaher, Public Works Director
Margaret Jeffries, Library Director
Jacob Graichen, City Planner
Mike DeRoia, Building Official

MAILING ADDRESS

City of St. Helens
265 Strand Street
St. Helens, OR 97051

CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON

TABLE OF CONTENTS

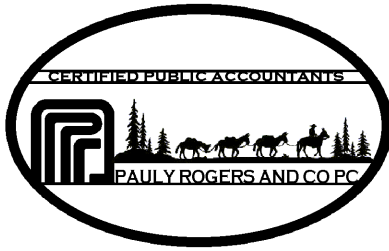
	<u>PAGE NUMBER</u>
INDEPENDENT AUDITORS' REPORT	1
REQUIRED SUPPLEMENTARY INFORMATION:	
Management's Discussion and Analysis	i-vi
BASIC FINANCIAL STATEMENTS:	
Statement of Net Position	4
Statement of Activities	5
Balance Sheet - Governmental Funds	6
Reconciliation of Balance Sheet of Governmental Funds to the Statement of Net Position	7
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	8
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds – To Statement of Activities	9
Statement of Proprietary Net Position	10
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	11
Statement of Cash Flows – Proprietary Funds	12
Notes to Basic Financial Statements	13
REQUIRED SUPPLEMENTARY INFORMATION:	
Schedule of the Proportionate Share of the Net Pension Liability and Contributions	43
Schedule of Changes in Other Postemployment Benefits Liability and Related Ratios	44
Schedule of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget	
General Fund	45
Street Fund	46
Community Enhancement Fund	47
Community Development Fund	48
Visitor and Tourism Fund	49
Street SDC Fund	50
Parks SDC Fund	51
SUPPLEMENTARY INFORMATION:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget	
Urban Renewal Agency	52
Major Enterprise Funds:	
Water Fund	53
Sewer Fund	54
Storm Fund	55
Non-Major Enterprise Funds	
Water SDC Fund	56
Sewer SDC Fund	57

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

TABLE OF CONTENTS

	<u>PAGE NUMBER</u>
Storm SDC Fund	58
Combining Statement of Net Position – Internal Service Funds	59
Combining Statement of Revenues, Expenditures, and Changes in Net Position – Internal Service Funds	60
Combining Statement of Cash Flows – Internal Service Funds	61
Schedule of Revenues, Expenditures and Changes in Fund Balance – Actual and Budget	
Internal Service Funds:	
Information Technology Services Fund	62
Equipment Fund	63
Public Works Fund	64
Facility Major Maintenance Fund	65
 INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS	 66

FINANCIAL
SECTION



PAULY, ROGERS, AND CO., P.C.
12700 SW 72nd Ave. ♦ Tigard, OR 97223
(503) 620-2632 ♦ (503) 684-7523 FAX
www.paulyrogersandcogas.com

June 21, 2021

To the Honorable Mayor and Members of the City Council
City of St. Helens, Oregon

INDEPENDENT AUDITORS' REPORT

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 the City of St. Helens as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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.

Auditors' 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. 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 opinion.

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 the City of St. Helens, as of June 30, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information to 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 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 budgetary comparison schedules presented as Required Supplementary Information, as listed in the table of contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of St. Helens' basic financial statements. The supplementary information, as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary 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 records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

The listing of council members containing their term expiration dates, located before the table of contents, 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.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated June 21, 2021, on our consideration of 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.

A handwritten signature in black ink, appearing to read "Ken Allen", is positioned above the printed name.

Kenneth Allen, CPA
Municipal Auditor

PAULY, ROGERS AND CO., P.C.

CITY OF ST. HELENS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020

Introduction

City of St. Helens' discussion and analysis offers readers of the City's financial statements an overview and analysis of the City's financial activities for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with the basic financial statements (which immediately follow this discussion).

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$54.21 million.
- The City's Total Assets decreased by \$0.87 million with a reduction in net Capital Assets. Liabilities increased by \$1.2 million, which is due mainly to an increasing share of Pension Liability.
- Total net position decreased during the year by \$1.00 million.
- The General Fund's financial position increased over last fiscal year. On June 30, 2020, the ending fund balance is \$2.43 million, an increase of \$412 thousand from the previous year. This increase is due to additional assets and a lower amount of liabilities.

Overview of the Financial Statements

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

- Government-wide financial statements
- Fund financial statements
- Notes to basic financial statements

Government-wide Financial Statements

The government-wide financial statements reports information about the City as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position presents information on all of the City's asset, deferred outflows, deferred inflows and liabilities. Assets and deferred outflows less liabilities and deferred inflows are reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (government activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, culture and recreation, highways and streets. The business-type activities include water system operations, sewer system operations and storm drain operations.

Fund Financial Statements

Fund financial statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to demonstrate finance-related legal compliance. All of the funds of the City can be divided into two categories: *governmental* or *proprietary*.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental fund's financial statement focuses on the near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements. Because the focus of governmental funds is narrower than that of governmental activities financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's long-term financing decisions. The governmental funds' Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and government-wide activities.

Proprietary funds are maintained in two ways. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for Water Operation Services, Sewer Operation Services, and Storm Drain Services. Internal Services Funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for Information Technology, Equipment, Public Works Administration and Facility Major Maintenance. Because these services predominantly benefit business-type rather than governmental activities, they have been included within the business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Notes to Basic Financial Statements

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

Government-Wide Financial Analysis

Statement of Net Position (In \$ millions)

	Governmental Activities		Business-Type Activities		Totals	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
ASSETS						
Current and other assets	\$ 6.11	\$ 6.13	\$ 13.04	\$ 12.92	\$ 19.15	\$ 19.05
Interfund loan	(0.60)	(0.60)	0.60	0.60	-	-
Capital assets, net	25.23	24.74	30.95	32.42	56.18	57.16
Total Assets	30.74	30.27	44.59	45.94	75.33	76.21
DEFERRED OUTFLOWS						
Pensions - GASB 68	3.02	2.38	1.25	1.06	4.27	3.44
OPEB - GASB 75	0.03	0.04	0.01	0.02	0.04	0.06
Total Deferred Outflows	3.05	2.42	1.26	1.08	4.31	3.50
LIABILITIES						
Current Liabilities	1.10	1.13	1.14	1.24	2.24	2.37
Long-term obligations	10.53	8.96	11.87	12.12	22.40	21.08
Total Liabilities	11.63	10.09	13.01	13.36	24.64	23.45
DEFERRED INFLOWS						
Pensions - GASB 68	0.51	0.66	0.21	0.30	0.72	0.96
OPEB - GASB 75	0.05	0.06	0.02	0.02	0.07	0.08
Total Deferred Inflows	0.56	0.72	0.23	0.32	0.79	1.04
NET POSITION						
Net Investment in						
Capital Assets	21.79	20.73	21.29	21.87	43.08	42.60
Restricted	2.93	2.29	0.65	0.65	3.58	2.94
Unrestricted	(3.12)	(1.14)	10.66	10.81	7.54	9.67
TOTAL NET POSITION	<u>\$ 21.60</u>	<u>\$ 21.88</u>	<u>\$ 32.60</u>	<u>\$ 33.33</u>	<u>\$ 54.20</u>	<u>\$ 55.21</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's net position totaled \$54.21 million at June 30, 2020.

The largest portion of the City's net position represents its net investment in capital assets. These assets include current year additions to water, sewer, and storm drain infrastructure which are partially offset by issuance of debt (Loan Proceeds). These assets are used to provide services to the citizens of our City. The restricted net position represents amounts which can be used only for specific purposes as imposed by external authorities or through applicable laws and regulations. The unrestricted net position is available to the City to meet its ongoing obligations to citizens and creditors.

Statement of Activities
(In \$ millions)

	Governmental Activities		Business-Type Activities		Totals	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Program revenues						
Charges for services	\$ 2.45	\$ 2.04	\$ 8.87	\$ 8.62	\$ 11.32	\$ 10.66
Operating grants and contributions	0.08	1.13	-	-	0.08	1.13
Capital grants and contributions	0.46	0.66	-	-	0.46	0.66
General Revenues						
Property taxes	1.86	1.87	-	-	1.86	1.87
Franchise taxes	2.01	0.87	-	-	2.01	0.87
Transient room taxes	0.10	0.12	-	-	0.10	0.12
Cannabis Taxes	0.13	0.15	-	-	0.13	0.15
Other grants and contributions	1.47	2.27	-	-	1.47	2.27
Investment earnings	0.35	0.31	0.01	0.03	0.36	0.34
Miscellaneous	0.48	0.29	0.25	0.17	0.73	0.46
Total Revenues	\$ 9.39	\$ 9.71	\$ 9.13	\$ 8.82	\$ 18.52	\$ 18.53
Program expenses						
General government	1.12	1.10	-	-	1.12	1.10
Public safety	4.71	3.81	-	-	4.71	3.81
Highways and streets	1.01	1.00	-	-	1.01	1.00
Culture and recreation	3.00	2.22	-	-	3.00	2.22
Interest on long-term obligations	0.04	0.05	-	-	0.04	0.05
Water	-	-	3.82	3.35	3.82	3.35
Sewer	-	-	4.25	3.81	4.25	3.81
Storm	-	-	1.48	1.20	1.48	1.20
Total program expenses	\$ 9.88	\$ 8.18	\$ 9.55	\$ 8.36	\$ 19.43	\$ 16.54
Other Financing sources, (uses)						
Capital contributions	0.23	0.55	(0.23)	(0.55)	-	-
Transfers	0.06	0.69	(0.06)	(0.69)	-	-
Total other financing sources, (uses)	\$ 0.29	\$ 1.24	\$ (0.29)	\$ (1.24)	\$ -	\$ -
Change in net position	(0.29)	1.38	(0.73)	0.60	(1.02)	1.98
Net position - beginning of year	21.89	20.50	33.33	32.73	55.22	53.23
Net position - end of year	\$ 21.60	\$ 21.88	\$ 32.60	\$ 33.33	\$ 54.20	\$ 55.21

Financial Analysis of the Government's Funds

The focus of the City's governmental funds is to provide information on expendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$6.01 million. Approximately \$2.29 million or 38% of this amount constitutes unassigned fund balance which is available for spending at the government's discretion. The remainder of fund balance is assigned, restricted, or unavailable and is not available for new spending because of contractual or regulatory requirements that limit usage.

Financial Analysis of the Proprietary Funds

The City's proprietary funds provide the same type of information as the business-type activities in the Government-wide financial statements. As of the end of the current fiscal year, the City's proprietary funds reported a combined unrestricted net position of \$9.78 million.

General Fund Budgetary Highlights

City Council and staff continue to work hard to maintain existing service levels with minimum staffing. While the local economy has seen signs of improvement and growth since the great recession, the cash flow of operating revenues still limit improvement to services. The challenge is balancing the services desired by the public with available revenues. In FY 19-20, staffing levels increased from 80.25 to 84.00.

- Administration: +1.00 FTE – Development Coordinator position
- Municipal Court: -0.40 FTE – Reduction in staffing with contracting out certain services
- Finance: -0.60 FTE – Reduction in staffing, re-organizing Utility Billing
- Recreation: +1.50 FTE – PT positions moved to full time and creation of Regular PT lead position
- Police: +1.50 FTE – increased patrol 1.0 and increase of PT Records Specialist to FT
- Engineering: -0.25 FTE – Retirement of PT position
- PW Operations: +1.00 FTE – creation of PW Director position

Capital Asset and Debt Administration

Capital Assets: Investment in capital assets by the governmental and business-type activities as of June 30, 2020, was \$56.19 million net of accumulated depreciation, which is an increase of \$0.46 million from the prior year. The investment in capital assets includes land, buildings, and system improvements, machinery and equipment and roads. The major capital asset additions during the current fiscal year were as follows:

- Governmental activities:
 - Work in Process - \$770,963
 - Building Improvements - \$352,007
 - Infrastructure - \$461,308
- Business-type activities
 - Sewer Improvements - \$153,774
 - Water Improvements - \$463,791
 - Storm Improvements - \$57,578

Additional information on the City's capital assets may be found in Note 4 to the basic financial statements.

Long-term Liabilities: The City's long-term liabilities consist of long-term debt and the proportionate share of the state-wide net pension liability.

At the end of the current fiscal year, the City saw an increase in long-term liabilities of \$1.3 million. The increase in long-term liabilities was due to the net impact of principal payments on long-term loans and changes in the City's pension liabilities, other post-employment benefit liabilities and accrued leave.

Additional information on the City's pension liability and long-term debt may be found in Notes 5,6,7 and 8 to the basic financial statements.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: City of St. Helens, Attn: Matt Brown - Finance Director/Budget Officer, 265 Strand Street, St. Helens, OR 97051, or e-mail at mattb@ci.st-helens.or.us.

CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**STATEMENT OF NET POSITION
June 30, 2020**

ASSETS	BUSINESS		TOTAL
	GOVERNMENTAL	TYPE	
Current Assets:			
Cash and Investments	\$ 5,663,584	\$ 12,182,530	\$ 17,846,114
Receivables	181,211	990,457	1,171,668
Prepaid Items	4,500	-	4,500
Internal Balances	240,238	(240,238)	-
Supply Inventory	22,675	109,550	132,225
Total Current Assets	6,112,208	13,042,299	19,154,507
Interfund Loan	(600,000)	600,000	-
Capital Assets, net	25,233,411	30,959,799	56,193,210
Total Assets	30,745,619	44,602,098	75,347,717
DEFERRED OUTFLOWS			
Pensions - GASB 68	3,024,823	1,251,953	4,276,776
OPEB - GASB 75	34,328	14,712	49,040
Total Deferred Outflows	3,059,151	1,266,665	4,325,816
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	218,323	25,741	244,064
Accrued Interest Payable	17,238	46,661	63,899
Deposits Payable	273,674	2,134	275,808
Current Portion of Long-Term Debt	590,950	1,074,847	1,665,797
Total Current Liabilities	1,100,185	1,149,383	2,249,568
Long-Term Liabilities			
Proportionate Share of the Net Pension Liability	7,094,921	2,936,536	10,031,457
Other Postemployment Benefits	293,764	125,899	419,663
Long-Term Debt, Net of Current Portion	3,150,018	8,813,953	11,963,971
Total Long-Term Liabilities	10,538,703	11,876,388	22,415,091
Total Liabilities	11,638,888	13,025,771	24,664,659
DEFERRED INFLOWS			
Pensions - GASB 68	511,454	211,688	723,142
OPEB - GASB 75	50,124	21,482	71,606
Total Deferred Inflows	561,578	233,170	794,748
NET POSITION			
Net Investment in Capital Assets	21,786,831	21,284,177	43,071,008
Restricted For:			
Community Enhancement	45,011	-	45,011
Urban Renewal Agency	52,854	-	52,854
Highways and Streets	2,266,801	-	2,266,801
Parks Capital Projects	573,317	-	573,317
Rate Stabilization	-	450,000	450,000
Debt Service	-	208,461	208,461
Unrestricted	(3,120,510)	10,667,184	7,546,674
Total Net Position	\$ 21,604,304	\$ 32,609,822	\$ 54,214,126

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

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020**

Functions/Programs	Expenses	Program Revenues		
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$ 1,125,158	\$ 593,803	\$ -	\$ -
Public Safety	4,718,831	223,085	-	-
Culture and Recreation	3,001,959	995,443	82,027	203,114
Highways and Streets	1,017,553	643,273	-	261,240
Interest on Long Term Debt	42,252	-	-	-
Total Governmental Activities	9,905,753	2,455,604	82,027	464,354
Business-Type Activities				
Water	3,822,966	3,619,222	-	-
Sewer	4,256,865	4,161,110	-	-
Storm	1,484,111	1,093,223	-	-
Total Business Activities	9,563,942	8,873,555	-	-
Total Primary Government	\$ 19,469,695	\$ 11,329,159	\$ 82,027	\$ 464,354

General Revenues

Property Taxes
Franchise Taxes
Transient Room Taxes
Unrestricted Grants and Contributions
Unrestricted Investment Earnings
Miscellaneous
Capital Contributions
Transfers

Total General Revenues and Transfers

Change in Net Position

Beginning Net Position

Ending Net Position

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

Net Revenues (Expenses) and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (531,355)	\$ -	\$ (531,355)
(4,495,746)	-	(4,495,746)
(1,721,375)	-	(1,721,375)
(113,040)	-	(113,040)
(42,252)	-	(42,252)
(6,903,768)	-	(6,903,768)
-	(203,744)	(203,744)
-	(95,755)	(95,755)
-	(390,888)	(390,888)
-	(690,387)	(690,387)
(6,903,768)	(690,387)	(7,594,155)
1,867,368	-	1,867,368
2,016,775	-	2,016,775
104,776	-	104,776
1,479,973	-	1,479,973
358,489	15,000	373,489
484,078	259,955	744,033
238,773	(238,773)	-
67,600	(67,600)	-
6,617,832	(31,418)	6,586,414
(285,936)	(721,805)	(1,007,741)
21,890,240	33,331,627	55,221,867
\$ 21,604,304	\$ 32,609,822	\$ 54,214,126

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2020**

	GENERAL	STREET FUND	COMMUNITY ENHANCEMENT FUND	COMMUNITY DEVELOPMENT FUND
ASSETS				
Cash and Investments	\$ 2,309,179	\$ 1,019,248	\$ 45,011	\$ 95,290
Due From Other Funds	144,321	-	-	-
Accounts Receivable	78,649	-	-	-
Property Taxes Receivable	95,384	-	-	-
Inventories	-	22,675	-	-
Prepays	-	-	-	-
Total Assets	<u>\$ 2,627,533</u>	<u>\$ 1,041,923</u>	<u>\$ 45,011</u>	<u>\$ 95,290</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 91,164	\$ 59,474	\$ -	\$ 67,685
Due to Other Funds	-	-	-	-
Deposits Payable	12,016	261,658	-	-
Total Liabilities	<u>103,180</u>	<u>321,132</u>	<u>-</u>	<u>67,685</u>
Deferred Inflows:				
Unavailable Revenue	<u>95,384</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable:				
Inventory	-	22,675	-	-
Prepays	-	-	-	-
Restricted For:				
Community Enhancement	-	-	45,011	-
Highways and Streets	-	698,116	-	-
Parks Capital	-	-	-	-
Urban Renewal Agency	-	-	-	-
Committed For:				
Economic Development	-	-	-	27,605
Unassigned	<u>2,428,969</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>2,428,969</u>	<u>720,791</u>	<u>45,011</u>	<u>27,605</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 2,627,533</u>	<u>\$ 1,041,923</u>	<u>\$ 45,011</u>	<u>\$ 95,290</u>

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

VISITOR AND TOURISM FUND	STREET SDC FUND	PARKS SDC FUND	URBAN RENEWAL AGENCY	TOTAL
\$ -	\$ 1,568,685	\$ 573,317	52,854	\$ 5,663,584
-	-	-	-	144,321
7,178	-	-	-	85,827
-	-	-	-	95,384
-	-	-	-	22,675
4,500	-	-	-	4,500
<u>\$ 11,678</u>	<u>\$ 1,568,685</u>	<u>\$ 573,317</u>	<u>52,854</u>	<u>\$ 6,016,291</u>
\$ -	\$ -	\$ -	-	\$ 218,323
144,321	-	-	-	144,321
-	-	-	-	273,674
<u>144,321</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>636,318</u>
-	-	-	-	95,384
-	-	-	-	22,675
4,500	-	-	-	4,500
-	-	-	-	45,011
-	1,568,685	-	-	2,266,801
-	-	573,317	-	573,317
-	-	-	52,854	52,854
-	-	-	-	27,605
(137,143)	-	-	-	2,291,826
<u>(132,643)</u>	<u>1,568,685</u>	<u>573,317</u>	<u>52,854</u>	<u>5,284,589</u>
<u>\$ 11,678</u>	<u>\$ 1,568,685</u>	<u>\$ 573,317</u>	<u>52,854</u>	<u>\$ 6,016,291</u>

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
TO STATEMENT OF NET POSITION
June 30, 2020**

Explanation of certain differences between the governmental fund balance sheet
and the government-wide statement of net position.

Fund Balances	\$ 5,284,589
The cost of capital assets (land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress) is reported as an expenditure in governmental funds. The statement of net position includes those capital assets among the assets of the City as a whole.	
Net Capital Assets	25,233,411
Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.	
Accrued Vacation and Comp Time	(294,388)
Long term debt proceeds are reported as revenue in the governmental funds, but are increases to liabilities on the Statement of Net Position	
	(3,446,580)
Accrued interest on long term debt is reported on the Statement of Net Position but is not recorded in the funds until actually paid.	
	(17,238)
Internal balances result from transactions between the governmental activities, business-type activities, and internal service funds.	
	240,238
Interfund loans that are not due within one year are not reported in the funds	
	(600,000)
Estimated pension obligations and other postemployment benefits are reported on the Statement of Net Position. These items are not reported in the governmental funds	
Proportionate Share of the Net Pension Liability	\$ (7,094,921)
Other Postemployment Benefits	(293,764)
Deferred Outflows - GASB 68	3,024,823
Deferred Outflows - GASB 75	34,328
Deferred Inflows - GASB 68	(511,454)
Deferred Inflows - GASB 75	(50,124)
	<hr/> (4,891,112)
The governmental funds report receivables for various items where the related revenue is not available in the current period, and therefore the funds report that revenue as unearned. The statement of net position considers the revenue to be earned immediately, and does not report a deferred inflow for unearned revenue.	
	<hr/> 95,384
Total Net Position	<hr/> <hr/> \$ 21,604,304

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020**

	GENERAL	STREET FUND	COMMUNITY ENHANCEMENT FUND	COMMUNITY DEVELOPMENT FUND
REVENUES				
Property Taxes	\$ 1,876,863	\$ -	\$ -	\$ -
Grants	15,400	-	47,802	203,114
Charges for Services	4,074,625	-	728	-
Transient Room Taxes	-	-	-	-
Licenses and Permits	906,236	-	-	-
Intergovernmental Revenues	558,006	1,204,712	-	-
Fines and Forfeitures	217,844	-	-	-
Miscellaneous	673,109	35,806	30,246	477,747
Total Revenues	8,322,083	1,240,518	78,776	680,861
EXPENDITURES				
General Government	2,539,007	-	-	-
Public Safety	3,973,379	-	-	-
Culture and Recreation	1,319,865	-	71,925	1,154,816
Highways and Streets	-	1,008,987	-	-
Debt Service	-	59,474	-	274,749
Capital Outlay	-	304,243	-	-
Total Expenditures	7,832,251	1,372,704	71,925	1,429,565
Excess, (Deficit) of Revenues Over, (Under) Expenditures	489,832	(132,186)	6,851	(748,704)
Other Financing Sources, -Uses				
Transfers In	-	117,600	-	-
Transfers Out	(77,648)	(8,416)	-	-
Total Other Financing Sources, (Uses)	(77,648)	109,184	-	-
Net Change in Fund Balance	412,184	(23,002)	6,851	(748,704)
Beginning Fund Balance	2,016,785	743,793	38,160	776,309
Ending Fund Balance	\$ 2,428,969	\$ 720,791	\$ 45,011	\$ 27,605

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

VISITOR AND TOURISM FUND	STREET SDC FUND	PARKS SDC FUND	URBAN RENEWAL AGENCY	TOTAL
-	-	-	1,259	\$ 1,878,122
-	-	-	-	266,316
-	363,283	341,464	-	4,780,100
104,776	-	-	-	104,776
-	-	-	-	906,236
-	-	-	-	1,762,718
-	-	-	-	217,844
163,197	-	-	-	1,380,105
267,973	363,283	341,464	1,259	11,296,217
-	-	-	-	2,539,007
-	-	-	-	3,973,379
403,695	-	13,968	-	2,964,269
-	620	-	-	1,009,607
-	-	-	-	334,223
-	57,392	-	-	361,635
403,695	58,012	13,968	-	11,182,120
(135,722)	305,271	327,496	1,259	114,097
-	8,416	27,648	-	153,664
-	-	-	-	(86,064)
-	8,416	27,648	-	67,600
(135,722)	313,687	355,144	1,259	181,697
3,079	1,254,998	218,173	51,595	5,102,892
(132,643)	1,568,685	573,317	52,854	\$ 5,284,589

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS - TO STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020**

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities

Excess of Revenues over Expenditures	\$	181,697
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Some expenditures however, are made on behalf of business-type activities and recorded as capital contributions on the Statement of Activities. Furthermore, the disposal of old capital assets creates a gain or loss that is allocated to the Statement of Activities. This is the total change in capital asset balances during the year:</p>		
Capitalized Expenditures	\$	1,453,306
Loss on Disposal of Capital Assets		(503,158)
Depreciation Expense		(461,025)
		489,123
Governmental funds record expenses for payments on long term loans. On the government wide statements, however, the principal portion of these payments are reported as a reduction in the carrying balance of the loans on the statement of net position.		291,124
Governmental funds record interest expense when paid. The statement of activities, however, records interest expense as it comes due.		847
On the statement of activities, compensated absences are recorded as expenses as soon as they are earned by employees. The governmental funds, however, only record an expense for compensated absences when they are paid out		(20,149)
The government-wide statements accrue revenue as it is earned. The fund statements, however, only record revenue when it is available to pay for current expenditures. This is the change in the governmental funds' deferred inflow for unavailable revenue.		(184,180)
The change in estimated pension obligations is reflected in the Statement of Activities. The governmental funds, however, only record pension expenses as they are paid		
Pensions - GASB 68	\$	(1,067,817)
OPEB - GASB 75		(9,479)
		(1,077,296)
Internal service funds are used by management to allocate costs among the City's various funds. The net revenue (expense) of the internal service funds that are attributable to the governmental activities are recorded in the statement of activities		32,898
Change in Net Position	\$	(285,936)

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

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**STATEMENT OF PROPRIETARY NET POSITION
June 30, 2020**

	ENTERPRISE FUNDS				INTERNAL SERVICE
	WATER	SEWER	STORM	TOTAL	
ASSETS					
Current Assets					
Cash and Investments	\$ 4,469,808	\$ 4,195,917	\$ 2,387,071	\$ 11,052,796	\$ 1,129,734
Accounts Receivable	340,968	518,808	130,681	990,457	-
Inventory	85,775	12,459	2,061	100,295	9,255
Total Current Assets	4,896,551	4,727,184	2,519,813	12,143,548	1,138,989
Noncurrent Assets					
Interfund Loan	300,000	300,000	-	600,000	-
Capital Assets, net	13,253,316	11,400,272	6,280,495	30,934,083	25,716
Total Noncurrent Assets	13,553,316	11,700,272	6,280,495	31,534,083	25,716
Total Assets	18,449,867	16,427,456	8,800,308	43,677,631	1,164,705
DEFERRED OUTFLOWS					
Pensions - GASB 68	436,728	611,418	203,807	1,251,953	-
OPEB - GASB 75	5,885	6,375	2,452	14,712	-
Total Deferred Outflows	442,613	617,793	206,259	1,266,665	-
LIABILITIES					
Current Liabilities					
Accounts Payable and Accrued Liabilities	3,828	8,831	-	12,659	13,082
Accrued Interest Payable	7,007	39,654	-	46,661	-
Deposits Payable	2,134	-	-	2,134	-
Compensated Absences Payable	76,135	101,513	35,530	213,178	-
Current Portion of Long-Term Liabilities	419,000	442,669	-	861,669	-
Total Current Liabilities	508,104	592,667	35,530	1,136,301	13,082
Long-term Liabilities					
Proportionate Share of the Net Pension Liability	1,024,374	1,434,120	478,042	2,936,536	-
Other Post-Employment Benefits Obligation	50,360	54,556	20,983	125,899	-
Loans Payable, Net of Current Portion	3,159,000	5,654,953	-	8,813,953	-
Total Long-term Liabilities	4,233,734	7,143,629	499,025	11,876,388	-
Total Liabilities	4,741,838	7,736,296	534,555	13,012,689	13,082
DEFERRED INFLOWS					
Pensions - GASB 68	73,845	103,382	34,461	211,688	-
OPEB - GASB 75	8,593	9,309	3,580	21,482	-
Total Deferred Inflows	82,438	112,691	38,041	233,170	-
NET POSITION					
Net Investment in Capital Assets	9,675,316	5,302,650	6,280,495	21,258,461	25,716
Restricted for Rate Stabilization	150,000	300,000	-	450,000	-
Restricted for Debt Service	-	208,461	-	208,461	-
Unrestricted	4,242,888	3,385,151	2,153,476	9,781,515	1,125,907
Total Net Position	\$ 14,068,204	\$ 9,196,262	\$ 8,433,971	31,698,437	\$ 1,151,623
Reconciliation to the Statement of Net Position:					
The assets and liabilities of the internal service funds have been included in business-type activities on the statement of net position as they provide services predominantly to the enterprise funds				1,151,623	
Internal balances result from transactions between the governmental activities, business-type activities, and internal service funds				(240,238)	
NET POSITION OF BUSINESS-TYPE ACTIVITIES				\$ 32,609,822	

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

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2020**

	ENTERPRISE FUNDS				INTERNAL SERVICE
	WATER	SEWER	STORM	TOTAL	
OPERATING REVENUES					
Utility Service Charges	\$ 3,366,954	\$ 3,939,732	986,842	\$ 8,293,528	\$ -
Other Service Charges	252,268	221,378	106,381	580,027	59,398
Internal Charges	-	-	-	-	4,247,815
Total Operating Revenues	3,619,222	4,161,110	1,093,223	8,873,555	4,307,213
OPERATING EXPENSES					
Cost of Sales and Services	2,761,721	3,325,874	1,275,496	7,363,091	4,028,494
Depreciation	863,838	566,851	189,296	1,619,985	8,127
Total Operating Expenses	3,625,559	3,892,725	1,464,792	8,983,076	4,036,621
Operating Income -Loss	(6,337)	268,385	(371,569)	(109,521)	270,592
NONOPERATING REVENUES, (EXPENSES)					
Interest	-	10,000	5,000	15,000	-
Miscellaneous	5,986	-	-	5,986	57,301
Intergovernmental	-	-	-	-	137,270
Loan Interest Expense	(88,098)	(166,405)	-	(254,503)	-
Total Nonoperating Revenues -Expenses	(82,112)	(156,405)	5,000	(233,517)	194,571
OTHER FINANCING SOURCES -USES					
Transfers In	246,477	344,657	119,119	710,253	-
Transfers Out	(24,777)	(28,607)	(1,519)	(54,903)	(722,950)
Gain/(Loss) on Capital Asset Disposal	(183,123)	(274,244)	(47,292)	(504,659)	-
Capital Contributions	167,794	-	-	167,794	(406,567)
Total Other Financing Sources -Uses	206,371	41,806	70,308	318,485	(1,129,517)
Change in Net Position	117,922	153,786	(296,261)	(24,553)	(664,354)
NET POSITION, Beginning of Year	13,950,282	9,042,476	8,730,232	31,722,990	1,815,977
NET POSITION, End of Year	\$ 14,068,204	\$ 9,196,262	8,433,971	\$ 31,698,437	\$ 1,151,623
Reconciliation to the Statement of Activities:					
Change in Net Position (from above)				(24,553)	
Net revenue/(expense) of internal service funds				(664,354)	
Change in internal balances between governmental and business-type activities				(32,898)	
CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES				\$ (721,805)	

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

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2020**

	ENTERPRISE FUNDS				INTERNAL SERVICE
	WATER	SEWER	STORM	TOTAL	
Cash Flows from Operating Activities:					
Cash Received from Customers	\$ 3,746,516	\$ 4,400,645	1,091,781	\$ 9,238,942	\$ 4,307,213
Cash Paid to Suppliers	(1,710,975)	(2,029,331)	(822,918)	(4,563,224)	(1,500,141)
Cash Paid to Employees	(924,275)	(1,135,084)	(440,917)	(2,500,276)	(2,577,782)
Net Cash Provided -Used by Operating Activities	1,111,266	1,236,230	(172,054)	2,175,442	229,290
Cash Flows from Noncapital Financing Activities:					
Miscellaneous Receipts	5,986	-	-	5,986	57,301
Transfers	221,700	316,050	117,600	655,350	(722,950)
Net Cash Provided -Used by Noncapital Financing Activities	227,686	316,050	117,600	661,336	(665,649)
Cash Flows from Capital and Related Financing Activities:					
Payment of Principal on Long Term Debt	(410,000)	(434,302)	-	(844,302)	-
Payment of Interest on Long Term Debt	(88,901)	(168,467)	-	(257,368)	-
Intergovernmental Revenues	-	-	-	-	137,270
Net Cash Provided -Used by Capital and Related Financing Activities	(498,901)	(602,769)	-	(1,101,670)	137,270
Cash Flows from Investing Activities:					
Capital Purchases	(295,997)	(153,774)	(57,578)	(507,349)	(406,567)
Interest on Investments	-	10,000	5,000	15,000	-
Net Cash Provided -Used by Investing Activities	(295,997)	(143,774)	(52,578)	(492,349)	(406,567)
Net Increase -Decrease in Cash and Cash Equivalents	544,054	805,737	(107,032)	1,242,759	(705,656)
Cash and Investments at Beginning of Year	3,925,754	3,390,180	2,494,103	9,810,037	1,835,390
Cash and Investments at End of Year	\$ 4,469,808	\$ 4,195,917	2,387,071	\$ 11,052,796	\$ 1,129,734
Reconciliation of Operating Income to					
Net Cash Provided by Operating Activities					
Operating Income, -Loss	\$ (6,337)	\$ 268,385	(371,569)	\$ (109,521)	\$ 270,592
Noncash Items Included in Income:					
Depreciation	863,838	566,851	189,296	1,619,985	8,127
Pension Estimate	115,772	164,070	58,013	337,855	-
Decrease -Increase in Accounts Receivable	129,480	239,535	(1,442)	367,573	-
Decrease -Increase in Inventory	14,483	(1,644)	290	13,129	(117)
Increase -Decrease in Accounts Payable and Accrued Liabilities	(8,995)	(6,733)	(50,257)	(65,985)	(49,312)
Increase -Decrease in Accrued Vacation Payable	5,211	5,766	3,615	14,592	-
Increase -Decrease in Customer Deposits	(2,186)	-	-	(2,186)	-
Net Cash Provided -Used by Operating Activities	\$ 1,111,266	\$ 1,236,230	(172,054)	\$ 2,175,442	\$ 229,290
OTHER NON-CASH TRANSACTIONS					
Capital contribution - assets purchased by other funds	\$ 167,794	\$ -	-	\$ 167,794	\$ -
Loss on disposal of capital assets	(183,123)	(274,244)	(47,292)	(457,367)	-

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

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting policies. The more significant of the accounting policies are described below.

A. THE FINANCIAL REPORTING ENTITY

The City of St. Helens was chartered in 1889 through an act of the state legislature. In 1903, the City became the Columbia County Seat.

The City is a municipal corporation governed by an elected mayor and city council. Administrative functions are delegated to individuals who report to and are responsible to the mayor and council. The chief administrative officer is the city administrator.

Accounting principles generally accepted in the United States of America require that these financial statements present the City (the primary government) and all component units, if any. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government. The City Council serves as the governing board of the City of St. Helens Urban Renewal Agency, an entity that was established for the direct benefit of development within the City. Therefore, the accounts of the Agency are included in the financial statements of the City as a fund. The Agency also issues their financial statements individually.

B. BASIS OF PRESENTATION – FUND ACCOUNTING

Financial operations are accounted for in the following major governmental and proprietary funds:

GENERAL FUND

This fund accounts for all financial resources and expenditures, except those required to be accounted for in another fund. The principal revenue sources are property taxes, fees, licenses and state apportionments.

STREET FUND

This fund accounts for revenues received from state gas taxes that are expended on street construction and maintenance.

COMMUNITY ENHANCEMENT FUND

The purpose of this fund is to encourage opportunities for art and culture. Principal revenue sources are donations and transfers which are used to fund a number of community projects.

COMMUNITY DEVELOPMENT FUND

This fund encompasses four major areas of development including economic planning, the Boise White Paper property, the Boise Veneer Property and Forestry. Principal revenue sources are lease payments and property tax reimbursements.

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

B. BASIS OF PRESENTATION – FUND ACCOUNTING (continued)

VISITOR AND TOURISM FUND

This fund is mainly funded from a Motel/Hotel tax that is charged on local establishments. These funds are used to help fund tourism activities for the City including programs such as Fireworks, Halloweentown, 13 Nights and other events throughout the year.

STREET SDC FUND

The Street SDC Fund receives revenue from systems development charges that are paid on development projects that happen throughout the City. The funds are used for increasing capacity needs based on the specific projects outlined by the City.

PARKS SDC FUND

The Parks SDC Fund receives revenue from systems development charges in which an assessment is provided under Oregon law which is paid at the time a connection permit is issued to recognize the cost of growth. The amount of the charge is proportional to the impact of the service. All monies are budgeted to be spent as general capital outlay for any projects that come up throughout the fiscal year.

URBAN RENEWAL AGENCY

The City of St. Helens Urban Renewal Agency was established to provide improved infrastructure and amenities to support new development in the City. The Agency receives property taxes from Columbia County that will accumulate until projects are authorized as part of the urban renewal plan.

WATER FUND

This proprietary fund accounts for water system operations. The fund is predominantly self-supported through user charges to customers.

SEWER FUND

This proprietary fund accounts for sewer system operations. The fund is predominantly self-supported through user charges to customers.

STORM FUND

This proprietary fund accounts for all projects and maintenance related to the City's stormwater system. The fund is predominantly self-supported through user charges to customers.

COMBINED INTERNAL SERVICE FUNDS

These proprietary funds, which include the Information Technology, Equipment, Public Works Operations and Facility Major Maintenance funds, are combined and presented as one individual fund in the proprietary fund financial statements. These funds account for services provided to other departments within the City that benefit from the funds' services.

C. GOVERNMENT WIDE FINANCIAL STATEMENTS

The government-wide financial statements (i.e. the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

D. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

Separate financial statements are provided for governmental funds and the proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. 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 government 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, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses result from providing, producing, and delivering goods in connection with a proprietary fund's principal ongoing operations.

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 measurable to accrue as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received.

E. GRANTS

Unreimbursed grant expenditures due from grantor agencies are recorded in the basic financial statements as receivables and revenues. Cash received from grantor agencies in excess of related grant expenditures is recorded as Deferred Revenue in the combined balance sheet.

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

F. PROPERTY TAXES RECEIVABLE

Ad valorem property taxes are a lien on all taxable property as of July 1. Property taxes are levied and payable on November 15. Taxes are administrated by the County. Collection dates are November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

Uncollected property taxes are shown in the combined balance sheet. Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established. Property taxes collected within approximately sixty days of fiscal year-end are recognized as revenue. The remaining balance of taxes receivable is recorded as deferred revenue because it is not deemed available to finance operations of the current period.

G. BUDGETS

A budget is prepared for all funds in accordance with the modified accrual basis of accounting and legal requirements set forth in the Oregon Local Budget Law. For governmental fund types, the budgetary basis of accounting is the same as generally accepted accounting principles. The budget process begins early in each fiscal year with the establishment of the Budget Committee. Recommendations are developed through late winter with the Budget Committee approving the budget in early spring. Public notices of the budget hearing are published generally in early spring with a public hearing being held approximately three weeks later. The Council may amend the budget prior to adoption, however, budgeted expenditures for each fund may not be increased by more than ten percent. The budget is then adopted, appropriations are made and the tax levy declared no later than June 30th.

The levels of control are combined in various ways throughout the funds to make up the master appropriated amounts. Expenditures cannot legally exceed the master appropriation levels except in the case of restricted revenues which could not be estimated at the time of budget adoption. Appropriation authority may be transferred from one level of control to another by Council resolution. Appropriations lapse at the fiscal year end. Supplemental appropriations may occur if the Council approves them due to a need which exists which was not determined at the time the budget was adopted.

Budget amounts shown in the basic financial statements reflect the original budget amounts and three appropriation transfers and one supplemental budget. Expenditures of the various funds were within authorized appropriations for the year ended June 30, 2020, except for the following cases:

1. Visitor and Tourism (\$28,695)

H. SUPPLY INVENTORY

Inventories are stated at the lower of cost or market, using the first-in, first-out method and are recognized as expenses in the funds as they are consumed.

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

I. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$10,000 and an estimated useful life extending beyond a single financial reporting period. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets in the proprietary fund types are stated at cost, or the estimated fair market value at the date of receipt for gifts or projects constructed by others and accepted for ownership and maintenance by the City. Maintenance and repairs are expensed as incurred. Replacements which improve or extend the lives of property are capitalized. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets. Upon disposal of such assets, the accounts are relieved of the related costs and accumulated depreciation and resulting gains or losses are reflected in operations. Estimated useful lives used in computing depreciation are:

Buildings and improvements	25 to 40 years
Improvements other than buildings	20 to 30 years
Equipment and machinery	5 to 20 years
Vehicles	5 to 15 years
Infrastructure	25 to 50 years

J. LONG-TERM OBLIGATIONS

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

K. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

L. COMPENSATED ABSENCES

The City has a policy which permits full-time employees to earn sick leave at the rate of one day per month and accumulate a maximum of 150 days or 1200 hours. Sick leave, which does not vest, is recognized in the funds when the leave is taken.

Each employee earns vacation at rates determined by their length of employment. An employee can accumulate a maximum of 600 hours. Vacation leave is accrued as it is earned. For governmental funds, the non-current portion (the amount estimated to be used in subsequent fiscal years) is maintained separately and represents a reconciling item between the fund-level and government-wide presentations. Only the current portion is reported in the governmental funds, and is calculated based on historical trends. In business type/enterprise funds, both the current and long-term liabilities are recorded.

M. RETIREMENT PLANS

Substantially all of the City's employees are participants in the State of Oregon Public Employees Retirement System (PERS). For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of PERS and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. GASB Statements 68 and 71 have been implemented as of July 1, 2014.

N. FUND BALANCE

In March 2009, the GASB issued Statement No. 54, Fund Balance Reporting and Governmental Fund-type Definitions. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications.

- Nonspendable fund balance represents amounts that are not in a spendable form. The nonspendable fund balance represents inventories and prepaid items.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

N. FUND BALANCE (continued)

The governing body has approved the following order of spending regarding fund balance categories: Restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and unassigned.

The governing body has adopted a minimum fund balance policy for the General Fund. Per the policy, the General Fund's ending fund balance is not to be reduced below 20% of operating expenditures.

O. NET POSITION

Net position is comprised of the various net earnings from operations, nonoperating revenues, expenses and contributions of capital. Net position is classified in the following three categories:

Net investment in capital assets – consists of all capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – consists of external constraints placed on asset use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – consists of all other assets not included in the other categories previously mentioned.

If both restricted and unrestricted net position are available for use, restricted net position is assumed to be utilized first.

P. INTERFUND TRANSACTIONS

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Operating interfund transactions are reported as transfers.

Q. CASH AND CASH EQUIVALENTS

For financial reporting purposes, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

For purposes of the statement of cash flows, the Proprietary Funds consider cash to include their proportional share of the cash and investment common pool since it has the general characteristics of demand deposit accounts in that the Proprietary Funds may deposit additional cash at any time and also effectively may withdraw cash at any time without prior notice or penalty.

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

R. ESTIMATES

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

S. FAIR VALUE INPUTS, METHODOLOGIES AND HIERARCHY

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based up on the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Level 1 – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access.

Level 2 – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market–corroborated inputs)

Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund’s own assumptions used in determining the fair value of investments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS

Cash management policies are governed by state statutes. Statutes authorized investing in bankers acceptances, time certificates of deposit, repurchase agreements, obligations of the United States and its agencies and instrumentalities, and the Oregon State Treasurer's Local Government Investment Pool.

A cash pool is maintained that is available for use by all funds. Each fund type's portion of this pool is reported on the combined balance sheet as Cash and Investments. In addition, cash is separately held by some of the funds.

Cash and Investments (recorded at cost) consisted of:

Deposits With Financial Institutions:

Demand Deposits	\$ 1,195,633
Investments	<u>16,650,481</u>
	<u><u>\$ 17,846,114</u></u>

Investments

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2020. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it approximates fair value.

The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. As of June 30, 2020, the fair value of the position in the LGIP is 100.88% of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. The audited financial statements can be found at:

[http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-\(OSTF\).aspx](http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-(OSTF).aspx)

If the link has expired please contact the Oregon Short Term Fund directly.

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (continued)

Interest Rate Risk

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. There were no investments that have a maturity date in excess of 18 months.

Credit Risk

Oregon Revised Statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the state treasurer's investment pool. The statutes do not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE. The State Investment Pool is not rated.

There were the following investments and maturities:

Investment	Rating	Fair Value	Maturity Date	Fair Value Activity Level
State Treasurer's Investment Pool	N/A	\$ 15,624,965	N/A	Quoted Market Price, Level 1
Federal Bonds	AA+	1,025,516	9/10/2021	Quoted Market Price, Level 1
Total		<u>\$ 16,650,481</u>		

Concentration of Credit/Deposit Risk

At year-end, the City's net carrying amount of deposits was \$1,195,633 and the bank balance was \$1,893,976. Of these deposits, \$500,000 was covered by federal depository insurance. Any deposits not covered by federal depository insurance are collateralized by the State of Oregon.

3. RECEIVABLES

The details for the City's receivables at June 30, 2020 were as follows:

	Governmental Activities/Funds		Proprietary Funds			
	General	Visitor and Tourism	Water	Sewer	Storm	Totals
Accounts	\$ -	\$ -	\$ 353,749	\$ 455,315	\$ 130,681	\$ 939,745
System Development Charges	-	-	-	695	-	695
Liens/LIDs	-	-	-	78,916	-	78,916
State Revenue Sharing	12,311	-	-	-	-	12,311
Community Rec Fees	9,867	-	-	-	-	9,867
Property Taxes - June Turnover	27,938	-	-	-	-	27,938
Property Taxes - Uncollected	95,384	-	-	-	-	95,384
Franchise Taxes	4,127	-	-	-	-	4,127
Cigarette Taxes	1,114	-	-	-	-	1,114
Alcohol Taxes	23,370	-	-	-	-	23,370
Motel/Hotel Taxes	-	7,178	-	-	-	7,178
Other	(78)	-	-	-	-	(78)
Allowance for Doubtful Accounts	-	-	(12,781)	(16,118)	-	(28,899)
Total	<u>\$ 174,033</u>	<u>\$ 7,178</u>	<u>\$ 340,968</u>	<u>\$ 518,808</u>	<u>\$ 130,681</u>	<u>\$ 1,171,668</u>

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

4. CAPITAL ASSETS

Changes in capital assets of the governmental activities for the year ended June 30, 2020 are as follows:

	2019	Additions	Retirements	2020
Capital Assets Not Being Depreciated:				
Land	\$ 6,909,554	\$ -	\$ (67,941)	\$ 6,841,613
Right-Of-Way	5,259,111	-	-	5,259,111
Library Collection	1,231,012	-	(187,119)	1,043,893
Construction in Progress	2,178,602	770,963	(130,972)	2,818,593
Total	15,578,279	770,963	(386,032)	15,963,210
Depreciable Assets:				
Buildings and Improvements	6,601,662	352,007	(1,789,656)	5,164,013
Equipment	2,932,876	-	(1,119,307)	1,813,569
Infrastructure	6,935,677	461,308	(91,005)	7,305,980
Total	16,470,215	813,315	(2,999,968)	14,283,562
Less Accumulated Depreciation:				
Buildings and Improvements	(3,028,511)	(131,639)	1,692,075	(1,468,075)
Equipment	(1,707,332)	(112,471)	1,019,653	(800,150)
Infrastructure	(2,568,363)	(216,915)	40,142	(2,745,136)
Total	(7,304,206)	(461,025)	2,751,870	(5,013,361)
Total Capital Assets Being Depreciated (Net)	9,166,009	352,290	(248,098)	9,270,201
Total Capital Assets, Governmental Activities (Net)	\$ 24,744,288			\$ 25,233,411

Governmental depreciation was allocated to the functions as follows:

General Government	\$ 111,627
Public Safety	174,688
Culture and Recreation	130,323
Highways and Streets	44,387
Total Governmental Activities	\$ 461,025

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

4. CAPITAL ASSETS (continued)

Changes in Business-Type capital assets for the year ended June 30, 2020 are as follows:

Depreciation expense for business-type activities is charged to the functions and programs as follows:

	June 30, 2019	Adjustments	Additions	Retirements	June 30, 2020
Capital Assets Not Being Depreciated:					
Land	\$ 1,006,535	\$ -	\$ -	\$ (30,935)	\$ 975,600
Total	<u>1,006,535</u>	<u>-</u>	<u>-</u>	<u>(30,935)</u>	<u>975,600</u>
Depreciable Assets:					
Buildings and Improvements	30,595,732	(562,894)	153,774	(1,035,331)	29,151,281
Equipment	8,790,034	(44,221)	167,794	(3,780,345)	5,133,262
Infrastructure	20,692,319	607,115	353,575	(5,092,333)	16,560,676
Total	<u>60,078,085</u>	<u>-</u>	<u>675,143</u>	<u>(9,908,009)</u>	<u>50,845,219</u>
Less Accumulated Depreciation:					
Buildings and Improvements	(13,723,571)	-	(937,665)	947,377	(13,723,571)
Equipment	(5,107,942)	-	(254,293)	3,529,614	(5,107,942)
Infrastructure	(9,835,680)	-	(436,154)	4,957,294	(9,825,968)
Total	<u>(28,667,193)</u>	<u>\$ -</u>	<u>\$ (1,628,112)</u>	<u>\$ 9,434,285</u>	<u>(20,861,020)</u>
Total Capital Assets Being Depreciated (Net)	<u>31,410,892</u>				<u>29,984,199</u>
Total Net Capital Assets					
Business-Type Activities	<u>\$ 32,417,427</u>				<u>\$ 30,959,799</u>

During 2019-2020, the City updated its capitalization policy to include only items that have a value exceeding \$10,000. Items under that threshold, as well as fully depreciated items, have been removed from the City's capital asset listing as of June 30, 2020. In the government-wide financial statements, this change in accounting policy resulted in a net write down of capital asset values totaling \$504,659 for the Business-Type Activities, and \$503,158 for the Governmental Activities.

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Comprehensive Annual Financial Report which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2019-CAFR.pdf>

If the link is expired please contact Oregon PERS for this information.

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
 - i. **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results. A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 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.
 - ii. **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 contributions are met:
 - member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
 - iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
 - iv. **Benefit Changes After Retirement.** Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (continued)

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

i. **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

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

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

A member of the 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.

ii. **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. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.

iii. **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.

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. The 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, 2017 actuarial valuation, which became effective July 1, 2019. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2020 were \$1,336,996, excluding amounts to fund employer specific liabilities. In addition approximately \$313,364 in employee contributions were paid or picked up by the City in fiscal 2020. At June 30, 2020, the City reported a net pension liability of \$10,031,457 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2017. 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 employers, actuarially determined. As of the measurement date of June 30, 2019 and 2018, the City's proportion was .06 percent and .05 percent, respectively. Pension expense for the year ended June 30, 2020 was \$1,401,608.

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (continued)

The rates in effect for the year ended June 30, 2020 were:

- (1) Tier 1/Tier 2 – 29.62%
- (2) OPSRP general services – 22.22%
- (3) OPSRP police and fire – 26.85%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 553,205	\$ -
Changes in assumptions	1,360,882	-
Net difference between projected and actual earnings on pension plan investments	-	284,382
Net changes in proportionate share	769,221	394,221
Differences between City contributions and proportionate share of contributions	256,472	44,539
Subtotal - Amortized Deferrals (below)	2,939,780	723,142
City contributions subsequent to measuring date	1,336,996	-
Deferred outflow (inflow) of resources	<u>\$ 4,276,776</u>	<u>\$ 723,142</u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2021.

Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in pension expense as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2021	\$ 1,037,093
2022	229,127
2023	477,899
2024	419,830
2025	52,690
Thereafter	-
Total	<u>\$ 2,216,638</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated March 4, 2020. Oregon PERS produces an independently audited CAFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2019-CAFR.pdf>

Actuarial Valuations – The employer contribution rates effective July 1, 2019 through June 30, 2021, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (continued)

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

Actuarial Methods and Assumptions:

Valuation date	December 31, 2017
Experience Study Report	2016, Published July 26, 2017
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset valuation method	Market value of assets
Inflation rate	2.50 percent
Investment rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increase	3.50 percent
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision, blend based on service
Mortality	Healthy retirees and beneficiaries: RP-2014 Health annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. 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. Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

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

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (continued)

Assumed Asset Allocation:

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

(Source: June 30, 2019 PERS CAFR; p. 100)

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-looking capital market economic model.

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00%	3.38%
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	1.31%	6.69%
Micro Cap US Equities	1.31%	6.80%
Developed Foreign Equities	13.13%	6.71%
Emerging Market Equities	4.13%	7.45%
Non-US Small Cap Equities	1.88%	7.01%
Private Equity	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%
<i>Assumed Inflation - Mean</i>		2.50%

(Source: June 30, 2019 PERS CAFR; p. 74)

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (continued)

Discount Rate – The discount rate used to measure the total pension liability as of the measurement date of June 30, 2019 and 2018 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 the 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.

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.

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
City's proportionate share of the net pension liability	\$ 16,064,489	\$ 10,031,457	\$ 4,982,641

Changes Subsequent to the Measurement Date

As described above, GASB 67 and GASB 68 require the Total Pension Liability to be determined based on the benefit terms in effect at the Measurement Date. Any changes to benefit terms that occurs after that date are reflected in amounts reported for the subsequent Measurement Date. However, Paragraph 80f of GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer's reporting date that are expected to have a significant effect on the employer's share of the collective Net Pension Liability, along with an estimate of the resulting change, if available.

There are no changes subsequent to the June 30, 2019 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

Deferred Compensation Plan

A deferred compensation plan is available to employees wherein they may execute an individual agreement with the City for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances are: termination by reason of resignation, death, disability, or retirement; unforeseeable emergency; or by requesting a de minimis distribution from inactive accounts valued less than \$5,000. Payment to the employee will be made over a period not to exceed 15 years. The deferred compensation plan is one which is authorized under IRC Section 457 and has been approved in its specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the administrator for the sole benefit of the plan participants and are not considered assets or liabilities of the City.

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (continued)

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:

Employees of the City are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP). Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member's IAP account. OPSRP is part of OPERS, and is administered by the OPERS Board.

Pension Benefits:

Participants in OPERS defined benefit pension plans also participate in their defined contribution 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 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.

Contributions:

Employees of the City pay six (6) percent of their covered payroll. The City picked up \$313,364 of contributions on its employees' behalf, for the year ended June 30, 2020.

Additional disclosures related to Oregon PERS not applicable to specific employers are available online, or by contacting PERS at the following address: PO Box 23700 Tigard, OR 97281-3700.

<http://www.oregon.gov/pers/EMP/Pages/GASB.aspx>

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

6. OTHER POSTEMPLOYMENT BENEFIT PLAN – RHIA

Plan Description:

As a member of Oregon Public Employees Retirement System (OPERS) the City contributes to the 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 OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (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 after January 1, 2004. OPERS issues a publicly available financial report that includes 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.

Funding Policy:

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 dollars or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 dollars 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 OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating cities are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the City currently contributes 0.00% of annual covered OPERF payroll and 0.06% of OPSRP payroll under a contractual requirement in effect until June 30, 2020. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The City's contributions to RHIA for the years ended June 30, 2018, 2019 and 2020 were \$20,771, \$21,277 and 2,818, respectively, which equaled the required contributions each year.

At June 30, 2020, the City's net OPEB liability/(asset) and deferred inflows and outflows were not considered significant by management and were not accrued on the government wide statements.

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

7. OTHER POSTEMPLOYMENT BENEFIT PLAN – HEALTHCARE SUBSIDY

Actuarial Methods and Assumptions:

Plan Description

The City administers a single-employer defined benefit healthcare plan that covers both active and retired participants. The plan provides post-retirement healthcare benefits for eligible retirees and their dependents through the City's group health insurance plans. The City's post-retirement plan was established in accordance with Oregon Revised Statutes (ORS) 243.303 which states, in part, that for the purposes of establishing healthcare premiums, the calculated rate must be based on the cost of all plan members, including both active employees and retirees. Because claim costs are generally higher for retiree groups than for active members, the premium amount does not represent the full cost of coverage for retirees. The resulting additional cost, or implicit subsidy, is required to be valued under GASB Statement 75 related to Other Post-Employment Benefits (OPEB). Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations of the OPEB plan reflect a long-term perspective. The valuation date was July 1, 2018 and the measurement date was June 30, 2019.

Funding Policy

The City has not established a trust fund to finance the cost of post-employment health care benefits related to implicit rate subsidies. Premiums are paid by retirees based on the rates established for active employees. Additional costs related to an implicit subsidy are paid by the City on a pay-as-you-go basis. There is no obligation on the part of the City to fund these benefits in advance. The City considered the liability to be solely the responsibility of the City as a whole and it is allocated to the governmental statements.

Actuarial Methods and Assumptions

The City engaged an actuary to perform a valuation as of June 30, 2019 using the Entry Age Normal, level percent of salary Actuarial Cost Method. Mortality rates were based on the RP-2000 healthy white collar male and female mortality tables, set back one year for males. Mortality is projected on a generational basis using Scale BB for males and females. Demographic assumptions regarding retirement, mortality, and turnover are based on Oregon PERS valuation assumptions as of December 31, 2017. Election rate and lapse assumptions are based on experience implied by valuation data for this and other Oregon public employers.

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

7. OTHER POSTEMPLOYMENT BENEFIT PLAN – HEALTHCARE SUBSIDY (continued)

Health Care Cost Trend Medical and vision:

Year	Pre-65 Trend
2018	6.75%
2019	7.00%
2020	5.50%
2021-2025	5.00%
2026-2029	4.75%
2030-2033	5.00%
2034	5.25%
2035	5.75%
2036-2038	6.00%
2039-2045	5.75%
2046-2050	5.50%
2051-2061	5.25%
2062-2065	5.00%
2066+	4.75%

Dental: 4.50% per year

Health care cost trend affects both the projected health care costs as well as the projected health care premiums.

General Inflation

2.50% per year, used to develop other economic assumptions

Annual Pay Increases

3.50% per year, based on general inflation and the likelihood of raises throughout participants' careers

Mortality

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.

Disability

Not used

Withdrawal

Based on Oregon PERS assumptions. Annual rates are based on employment classification, gender, and duration from hire date.

Retirement

Based on Oregon PERS assumptions. Annual rates are based on age, Tier/OPSRP, duration of service, and employment classification.

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

7. OTHER POSTEMPLOYMENT BENEFIT PLAN – HEALTHCARE SUBSIDY (continued)

Changes in the Net OPEB Liability

	Increase/ (Decrease)
Total OPEB Liability at June 30, 2019	\$ 400,468
Changes for the year:	
Service cost	26,900
Interest	15,821
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other input	13,933
Benefit payments	(37,459)
Balance as of June 30, 2020	<u><u>\$ 419,663</u></u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Trend Rates

The following analysis presents the net OPEB liability using a discount rate of 3.5%, as well as what the City's net OPEB liability would be if it was calculated using a discount rate that is one percentage point lower (2.5%) or one percentage point higher (4.5%) than the current rate, a similar sensitivity analysis is presented for the changes in the healthcare trend assumption:

	1% Decrease 2.50%	Current Discount Rate 3.50%	1% Increase 4.50%
Total OPEB Liability	\$ 457,447	\$ 419,663	\$ 385,182

	1% Decrease Healthcare	Current Trend Rate Healthcare	1% Increase Healthcare
Total OPEB Liability	\$ 371,945	\$ 419,663	\$ 477,294

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Benefits

The City reports information on deferred outflows and deferred inflows of resources at year end as well as a schedule of amounts of those deferred outflows of resources and deferred inflows of resources that will be recognized in other post-employment benefit expense for the following five years.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 13,753	\$ -
Changes in assumptions or other input	-	(71,606)
Benefit Payments	35,287	-
Deferred outflow (inflow) of resources	<u><u>\$ 49,040</u></u>	<u><u>\$ (71,606)</u></u>

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

7. OTHER POSTEMPLOYMENT BENEFIT PLAN – HEALTHCARE SUBSIDY (continued)

Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in pension expense as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2021	\$ (7,824)
2022	(7,824)
2023	(7,824)
2024	(7,824)
2025	(7,824)
Thereafter	(18,733)
Total	<u><u>\$ (57,853)</u></u>

8. DEBT

Long term obligations for governmental activities included compensated absences and direct borrowings. Changes were as follows for the year ended June 30, 2020:

<u>Debt Item</u>	<u>June 30, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2020</u>	<u>One Year</u>
Compensated Absences	\$ 274,239	\$ 294,388	\$ (274,239)	\$ 294,388	\$ 294,388
Boise White Paper Note	2,425,000	-	(150,000)	2,275,000	150,000
Columbia Bank Note	650,684	-	(96,840)	553,844	101,262
US Bank Note	662,020	-	(44,284)	617,736	45,300
Total Long-Term Obligations	<u><u>\$ 4,011,943</u></u>	<u><u>\$ 294,388</u></u>	<u><u>\$ (565,363)</u></u>	<u><u>\$ 3,740,968</u></u>	<u><u>\$ 590,950</u></u>

Details of governmental direct borrowings are as follows:

Columbia Bank Note

The City signed a Financing Agreement in the amount of \$1,000,000 with Columbia Bank for the purpose of purchasing real property. The loan bears interest at 4.38% annually and is scheduled to be paid off in 2025. In the event of default the bank may increase the interest rate by an additional 5%. Future maturities are as follows:

	<u>Principal</u>	<u>Interest</u>
2020-2021	101,262	23,487
2021-2022	105,809	18,941
2022-2023	110,560	14,189
2023-2024	115,502	9,247
2024-2025	120,711	4,039
	<u><u>\$ 553,844</u></u>	<u><u>\$ 69,903</u></u>

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

8. DEBT (continued)

Boise White Paper Note

The City financed \$3,000,000 of a purchase of real property from Boise White Paper, LLC through a promissory note. The note has no stated interest rate and principal payments are to be made in monthly installments equal to one half of all rent collected from current or future leases on the real estate secured by the deed of trust. The remaining principal balance if not paid in full by the end of the year 2035 shall be forgiven. Based on current rents, future principal payments are projected at \$150,000 per year through fiscal year 2035 and \$25,000 in fiscal year 2036. In the event of default, lender has the right to charge interest at an annual rate of 6%

US Bank Note

The City financed \$747,631 of costs to replace street lighting. The stated interest rate is 2.29%. Principal and interest are paid in annual installments with a maturity date of August, 2031.

In the event of default, the following remedies are available:

- a) Declare all outstanding balances due and payable or increase the interest rate to 12%.
- b) Terminate the loan or demand that the related property be returned to the lender.
- c) By written notice to any escrow agent who is holding proceeds of the property schedule, lender may instruct such escrow agent to release all such proceeds and any earnings thereon.
- d) Any other action, at law or in equity that is permitted by applicable law.

Future principal and interest payments for the US Bank Note are as follows:

	Principal	Interest
2020-2021	45,300	14,174
2021-2022	46,340	13,135
2022-2023	47,403	12,071
2023-2024	48,491	10,984
2024-2025	49,603	9,871
2025-2030	265,621	31,752
2030-2033	114,978	3,972
	<u>\$ 617,736</u>	<u>\$ 95,959</u>

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

8. DEBT (continued)

Long term obligations for business-type activities consisted of compensated absences and direct borrowings. Long term obligations changed as follows for the year ended June 30, 2020:

Debt Item	Balance June 30, 2019	Issued	Matured and Redeemed	Balance June 30, 2020	Balance Due Within One Year
DEQ Loan (R06801)	\$ 1,250,000	\$ -	\$ (100,000)	\$ 1,150,000	\$ 100,000
DEQ Loan (R80163)	4,196,924	-	(188,302)	4,008,622	193,669
Capital One - Water Refunding Note	3,988,000	-	(410,000)	3,578,000	419,000
Capital One - Sewer Refunding Note	1,085,000	-	(146,000)	939,000	149,000
Total Direct Borrowings	\$ 10,519,924	\$ -	\$ (844,302)	\$ 9,675,622	\$ 861,669
Compensated Absences	198,586	213,178	(198,586)	213,178	213,178
Total Long-Term Obligations	<u>\$ 10,718,510</u>	<u>\$ 213,178</u>	<u>\$ (1,042,888)</u>	<u>\$ 9,888,800</u>	<u>\$ 1,074,847</u>

Details for business-type direct borrowings as of June 30, 2020 were as follows:

State of Oregon Department of Environmental Quality (Loan R06801)

This is an interest free loan. The City makes principal payments of \$50,000 on a semi-annual basis. Net operating revenues of the sewer system have been pledged.

State of Oregon Department of Environmental Quality (Loan R80163)

The City has finished drawing down on this construction loan with a final principal amount of \$4,558,019. Payments begin in March of 2017 and will be due in semi-annual installments, including principal and 2.83% interest. Net operating revenues of the sewer system have been pledged.

Capital One – Water Refunding Note

In June of 2013, the City signed an agreement with Capital One for \$6,142,000 to refund OECD Loans G04004 and S04004. Principal payments are due annually on December 1. Interest is due semi-annually on June 1 and accrues at a rate of 2.35%. Payments are scheduled through December 1, 2029. Net operating revenues of the water system have been pledged.

Capital One – Sewer Refunding Note

In June of 2013, the City signed an agreement with Capital One for \$1,912,000 to refund DEQ Loan R80161. Principal payments are due annually on December 1. Interest is due semi-annually on June 1 and accrues at a rate of 2.35%. Payments are scheduled through December 1, 2025. Net operating revenues of the sewer system have been pledged.

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

8. DEBT (continued)

Default Remedies

DEQ Loans

In the event of default, the State of Oregon may:

- a) Declare the outstanding loan amount plus any unpaid accrued interest, fees and any other immediately due and payable.
- b) Cease making disbursement of loan proceeds.
- c) Appoint a receiver to operate the facility that produces pledged revenues and collect gross revenues.
- d) Set and collect utility rates and charges
- e) Pay or settle any liens on the facility of the project or pay other sums required to be paid by the borrower in connection with the project, at DEQs discretion, using the loan proceeds and such additional money as may be required.
- f) Direct the State Treasurer to withhold any amounts otherwise due to the City from the State.
- g) Pursue any other legal remedies available.

Debt Covenants

Net operating revenues, defined as gross operating revenue less operating expenses of the facility, are irrevocably pledged for payment of certain loan obligations. Net operating revenues of the Sewer Fund are pledged to the Oregon Department of Environmental Quality (ODEQ) loans.

The ODEQ requires the City to maintain sewer rates and fees sufficient to generate net operating revenues in each fiscal year of at least 105% of the debt service requirement for the fiscal year. Net operating revenue for the current fiscal year was \$768,896, while 105% of the debt service requirement was \$761,599. Additionally, ODEQ requires the City to document and maintain a reserve for debt service. At June 30, 2020, the reserve requirement for the Sewer Fund was \$208,461. The City presents this amount as restricted net position.

The Capital One loans are backed by the full faith and credit of the City and require a debt ratio of 1.1 for the Water and Sewer Funds. At June 30, 2020, the Water Fund had a debt ratio of 1.33 and the Sewer Fund had a debt ratio of 1.06.

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

8. DEBT (continued)

Future maturities of business-type debt are as follows:

Fiscal Year	DEQ R06801		DEQ R80163		Capital One - Water	
	Principal	Interest	Principal	Interest	Principal	Interest
2020-2021	100,000	-	193,669	112,083	419,000	79,160
2021-2022	100,000	-	199,188	106,564	433,000	69,149
2022-2023	100,000	-	204,865	100,887	443,000	58,856
2023-2024	100,000	-	210,704	95,048	452,000	48,339
2024-2025	100,000	-	216,709	89,043	461,000	37,612
2025-2030	500,000	-	1,179,785	348,975	1,370,000	69,510
2030-2035	150,000	-	1,357,767	170,993	-	-
2035-2038	-	-	445,935	12,679	-	-
Total	\$ 1,150,000	\$ -	\$4,008,622	\$ 1,036,272	\$ 3,578,000	\$ 362,626

Fiscal Year	Capital One - Sewer		Total	
	Principal	Interest	Principal	Interest
2020-2021	149,000	20,316	861,669	211,559
2021-2022	152,000	16,780	884,188	192,493
2022-2023	155,000	13,172	902,865	172,915
2023-2024	158,000	9,494	920,704	152,881
2024-2025	161,000	5,746	938,709	132,401
2025-2030	164,000	1,925	3,213,785	420,410
2030-2035	-	-	1,507,767	170,993
2035-2038	-	-	445,935	12,679
Total	\$ 939,000	\$ 67,433	\$9,675,622	\$ 1,466,331

9. INTERFUND BALANCES AND TRANSFERS

Interfund Loans (Long Term):

In August of 2017, the City Council approved a capital loan for \$600,000 (half paid by the Water Fund and half paid by the Sewer Fund) to the Community Development Fund. The purpose of the loan was to help the fund finance its expenditures during 2017-2018. The loan bears no interest and is due to be paid back in 2022-2023.

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

8. INTERFUND BALANCES AND TRANSFERS (CONTINUED)

Interfund transfers during the year ended June 30, 2020 were as follows:

Governmental Funds	Transfers	
	In	Out
General	\$ -	\$ 77,648
Street	117,600	8,416
Street SDC	8,416	-
Parks SDC	27,648	-
Proprietary Funds		
Water	246,477	24,777
Sewer	344,657	28,607
Storm	119,119	1,519
Internal Service	-	722,950
Total Transfers	<u>\$ 863,917</u>	<u>\$ 863,917</u>

Transfers were used to fund operations between funds.

10. CAPITAL CONTRIBUTIONS

In certain cases, the governmental and proprietary funds will receive resources or pay costs for each other. When this happens, the transaction must be recorded as a capital contribution in the government-wide statements so that the resources are allocated correctly between the governmental and business-type activities. During 2019-2020, Internal Service Funds spent \$406,567 on capital expenditures that benefited other funds throughout the City. The Water Fund received \$167,794 in contributions from Internal Service Funds. Additionally, the Statement of Activities reports \$238,773 received by the Governmental activities during the year.

11. PROPERTY TAX LIMITATIONS

The State of Oregon has a constitutional limit on property taxes for schools and nonschool government operations. The limitation provides that property taxes for nonschool operations are limited to \$10.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt.

An additional limit reduces the amount of operating property tax revenues available to the City for its 1997-98 fiscal year, and thereafter. This reduction was accomplished by rolling property values back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The Constitution also sets restrictive voter approval requirements for most tax and many fee increases and new bond issues.

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

12. CONTINGENCIES

Portions of accumulated sick leave at any point in time can be expected to be redeemed before termination of employment; however, such redemptions cannot be reasonably estimated. Additionally, eligible retirees of the City are allowed to request to have accumulated sick leave up to 960 hours deposited into their Voluntary Employee Benefit Association (VEBA) account.

The Covid-19 outbreak in the United States has caused disruption through mandated closure of both government and business activities. These developments are expected to impact the City's revenue. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. Therefore, while the City expects this matter to negatively impact its operating results, the related financial impact and duration cannot be reasonably estimated at this time.

13. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Commercial insurance is purchased to minimize its exposure to these risks. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

14. PROPERTY TAX ABATEMENTS

As of June 30, 2020, the City provides tax abatements through an Enterprise Zone (ORS 285C.175). The Oregon Enterprise Zone program is a State of Oregon economic development program established, that allows for property tax exemptions for up to five years. In exchange for receiving property tax exemption, participating firms are required to meet the program requirements set by state statute and the local sponsor. The Enterprise Zone program allows industrial firms that will be making a substantial new capital investment a waiver of 100% of the amount of real property taxes attributable to the new investment for a 5-year period after completion. Land or existing machinery or equipment is not tax exempt; therefore, there is no loss of current property tax levies to local taxing jurisdiction. For the fiscal year ended June 30, 2020, the City abated property taxes totaling \$73,939 under this program.

15. DEFICIT FUND BALANCE

The economic shutdowns that resulted from the Covid-19 outbreak hit the Visitor and Tourism Fund especially hard. The fund ended the fiscal year with a deficit fund balance of \$132,643. The City plans to mitigate the deficit in future years through cost management strategies and transfers from other funds.

16. SUBSEQUENT EVENTS

In October 2020, the City completed a bond refinance to consolidate multiple debt services. Debt services paid off in this refinance were DEQ Loan R80163, Capital One Water Refunding Note, Capital One Sewer Refunding Note, US Bank Note, and Columbia Bank Note. Remaining Debt Services include the Boise White Paper Note and DEQ Loan R06801. The estimated savings of this refinance is approximately \$962,000. The amount of the refinance Full Faith and Credit Bond is \$8,775,000 with an interest rate of 3% with maturity in 2029.

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**REQUIRED SUPPLEMENTARY INFORMATION
For the fiscal year ended June 30, 2020**

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) City's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2020	0.06 %	\$ 10,031,457	\$ 4,812,064	208.5 %	80.2 %
2019	0.05	7,560,929	4,518,396	167.3	82.1
2018	0.05	6,866,507	4,232,437	162.2	83.1
2017	0.06	8,459,661	4,069,867	207.9	80.5
2016	0.06	3,696,876	3,973,045	93.0	91.9
2015	0.07	(1,497,881)	3,874,533	(38.7)	103.6
2014	0.07	3,372,241	3,775,459	89.3	92.0

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date.

These schedules are 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.

SCHEDULE OF CONTRIBUTIONS

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2020	\$ 1,336,996	\$ 1,336,996	\$ -	\$ 5,218,565	25.6 %
2019	1,058,654	1,058,654	-	4,812,064	22.0
2018	994,047	994,047	-	4,518,396	22.0
2017	776,489	776,489	-	4,232,437	18.3
2016	762,343	762,343	-	4,069,867	18.7
2015	693,888	693,888	-	3,973,045	17.5
2014	681,758	681,758	-	3,874,533	17.6

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date.

These schedules are 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 ST. HELENS
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF CHANGES IN OTHER POST-EMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS
For the Year Ended June 30, 2020**

	2020	2019	2018
Total Other Post Employment Benefits Liability, Beginning of Year	\$ 400,468	\$ 463,479	\$ 520,494
<u>Changes for the year:</u>			
Service Cost	26,900	32,783	35,110
Interest	15,821	16,623	14,727
Changes in Benefit Terms	-	-	-
Effect of economic/demographic gains or losses	13,933	17,149	-
Changes in assumptions or other input	-	(65,157)	(28,564)
Employer Contributions	-	-	-
Benefit Payments	(37,459)	(64,409)	(78,288)
Net changes for the year	19,195	(63,011)	(57,015)
Total Other Post Employment Benefits Liability, End of Year	<u>\$ 419,663</u>	<u>\$ 400,468</u>	<u>\$ 463,479</u>
Fiduciary Net Position - Beginning	\$ -	\$ -	\$ -
Contributions - Employer	37,459	64,409	78,288
Contributions - Employee	-	-	-
Net Investment Income	(37,459)	(64,409)	(78,288)
Benefit Payments	-	-	-
Administrative Expense	-	-	-
Net changes for the year	-	-	-
Fiduciary Net Position - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Liability for Other Post Employment Benefits - End of Year	<u>\$ 419,663</u>	<u>\$ 400,468</u>	<u>\$ 463,479</u>
Fiduciary Net Position as a percentage of the total Single Employer Pension Liability	0%	0%	0%
Covered Payroll	\$ 4,812,064	\$ 4,518,396	\$ 4,232,437
Net Single Employer Pension Plan as a Percentage of Covered Payroll	9%	9%	11%

These schedules are 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 ST. HELENS
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2020**

	<u>GENERAL FUND</u>			VARIANCE POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES				
Local Taxes	\$ 1,920,000	\$ 1,920,000	\$ 1,876,863	\$ (43,137)
Intergovernmental Revenue	648,000	1,358,000	558,006	(799,994)
Grants	145,000	145,000	15,400	(129,600)
Charges for Services	4,050,000	3,355,000	4,074,625	719,625
Licenses, Permits, Fees	579,000	564,000	906,236	342,236
Fines	275,000	275,000	217,844	(57,156)
Miscellaneous	282,000	282,000	673,109	391,109
Total Revenues	7,899,000	7,899,000	8,322,083	423,083
EXPENDITURES				
Administration	468,000	468,000 (1)	427,031	40,969
City Recorder	301,000	301,000 (1)	298,011	2,989
City Council	123,000	123,000 (1)	106,102	16,898
Court	378,000	378,000 (1)	367,801	10,199
Police	3,505,000	3,671,500 (1)	3,605,578	65,922
Library	725,000	735,000 (1)	733,559	1,441
Finance	843,000	843,000 (1)	778,242	64,758
Parks	337,000	342,000 (1)	340,694	1,306
Recreation	204,000	254,000 (1)	245,612	8,388
Planning	312,000	312,000 (1)	293,693	18,307
Building	326,000	326,000 (1)	295,512	30,488
Non-Departmental	340,000	341,000 (1)	340,416	584
Contingency	1,000,000	205,500 (1)	-	205,500
Total Expenditures	8,862,000	8,300,000	7,832,251	467,749
Excess, (Deficit) of Revenues Over, (Under) Expenditures	(963,000)	(401,000)	489,832	890,832
OTHER FINANCING SOURCES, (USES)				
Transfers Out	-	(80,000) (1)	(77,648)	2,352
Total Other Financing Sources, (Uses)	-	(80,000)	(77,648)	2,352
Net Change in Fund Balance	(963,000)	(481,000)	412,184	893,184
Beginning Fund Balance	2,500,000	2,018,000	2,016,785	(1,215)
Ending Fund Balance	\$ 1,537,000	\$ 1,537,000	\$ 2,428,969	\$ 891,969

(1) Appropriation Level

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2020**

	<u>STREET FUND</u>			
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Intergovernmental	\$ 1,430,000	\$ 1,440,000	\$ 1,204,712	\$ (235,288)
Miscellaneous	16,000	16,000	35,806	19,806
Total Revenues	<u>1,446,000</u>	<u>1,456,000</u>	<u>1,240,518</u>	<u>(215,482)</u>
EXPENDITURES				
Personnel Services	461,500	461,500 (2)	461,500	-
Materials and Services	567,500	547,000 (2)	547,487	(487)
Debt Service	60,000	60,000 (1)	59,474	526
Total Streets	<u>1,089,000</u>	<u>1,068,500</u>	<u>1,068,461</u>	<u>39</u>
Capital Outlay	440,000	350,000 (2)	304,243	45,757
Contingency	534,600	381,500 (1)	-	381,500
Total Expenditures	<u>2,063,600</u>	<u>1,800,000</u>	<u>1,372,704</u>	<u>427,296</u>
Excess, (Deficit) of Revenues Over (Under) Expenditures	(617,600)	(344,000)	(132,186)	211,814
OTHER FINANCING SOURCES, (USES)				
Transfers In	117,600	117,000	117,600	600
Transfers Out	-	(9,000) (1)	(8,416)	584
Total Other Financing Sources, (Uses)	117,600	108,000	109,184	1,184
Net Change in Fund Balance	(500,000)	(236,000)	(23,002)	212,998
Beginning Fund Balance	<u>1,000,000</u>	<u>736,000</u>	<u>743,793</u>	<u>7,793</u>
Ending Fund Balance	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 720,791</u>	<u>\$ 220,791</u>

(1) Appropriation Level

(2) Combined Appropriations

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2020**

COMMUNITY ENHANCEMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental	\$ 90,000	\$ 90,000	\$ 47,802	\$ (42,198)
Charges for Services	2,000	2,000	728	(1,272)
Miscellaneous	10,000	10,000	30,246	20,246
Total Revenues	102,000	102,000	78,776	(23,224)
EXPENDITURES				
Materials and Services	143,000	143,000 (1)	71,925	71,075
Total Expenditures	143,000	143,000	71,925	71,075
Net Change in Fund Balance	(41,000)	(41,000)	6,851	47,851
Beginning Fund Balance	41,000	41,000	38,160	(2,840)
Ending Fund Balance	\$ -	\$ -	\$ 45,011	\$ 45,011

(1) Appropriation Level

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2020**

COMMUNITY DEVELOPMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Grants	\$ 170,000	\$ 96,000	\$ 203,114	\$ 107,114
Miscellaneous	730,000	830,000	477,747	(352,253)
Total Revenues	900,000	926,000	680,861	(245,139)
EXPENDITURES				
Personnel Services	19,500	36,000	33,557	2,443
Materials and Services	823,500	1,366,000	1,121,259	244,741
Total Operations	843,000	1,402,000	(1) 1,154,816	247,184
Debt Service	280,000	300,000	(1) 274,749	25,251
Contingency	777,000	224,000	(1) -	224,000
Total Expenditures	1,900,000	1,926,000	1,429,565	496,435
Net Change in Fund Balance	(1,000,000)	(1,000,000)	(748,704)	251,296
Beginning Fund Balance	1,000,000	1,000,000	776,309	(223,691)
Ending Fund Balance	\$ -	\$ -	\$ 27,605	\$ 27,605

(1) Appropriation Level

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2020**

ST. HELENS VISITORS AND TOURISM FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Transient Room Tax	\$ 130,000	\$ 130,000	\$ 104,776	\$ (25,224)
Miscellaneous	245,000	245,000	163,197	(81,803)
Total Revenues	375,000	375,000	267,973	(107,027)
EXPENDITURES				
Materials and Services	375,000	375,000	403,695	(28,695)
Total Visitors and Tourism	375,000	375,000	(1) 403,695	(28,695)
Total Expenditures	375,000	375,000	403,695	(28,695)
Net Change in Fund Balance	-	-	(135,722)	(135,722)
Beginning Fund Balance	-	-	3,079	3,079
Ending Fund Balance	\$ -	\$ -	\$ (132,643)	\$ (132,643)

(1) Appropriation Level

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2020**

	<u>STREET SDC FUND</u>			
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Charges for Services	\$ 50,000	\$ 50,000	\$ 363,283	\$ 313,283
Total Revenues	50,000	50,000	363,283	313,283
EXPENDITURES				
Materials and Services	290,000	290,000	620	289,380
Capital Outlay	1,000,000	1,000,000	57,392	942,608
Total Expenditures	1,290,000	1,290,000	(1) 58,012	1,231,988
Excess, (Deficit) of Revenues Over, (Under) Expenditures	(1,240,000)	(1,240,000)	305,271	1,545,271
OTHER FINANCING SOURCES, (USES)				
Transfers In	-	-	8,416	8,416
Total Other Financing Sources, -Uses	-	-	8,416	8,416
Net Change in Fund Balance	(1,240,000)	(1,240,000)	313,687	1,553,687
Beginning Fund Balance	1,240,000	1,240,000	1,254,998	14,998
Ending Fund Balance	\$ -	\$ -	\$ 1,568,685	\$ 1,568,685

(1) Appropriation Level

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2020**

	<u>PARK SDC FUND</u>			
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Charges for Services	\$ 25,000	\$ 25,000	\$ 341,464	\$ 316,464
Total Revenues	25,000	25,000	341,464	316,464
EXPENDITURES				
Materials and Services	105,000	105,000	13,968	91,032
Capital Outlay	147,000	147,000	-	147,000
Total Expenditures	252,000	252,000 (1)	13,968	238,032
Excess, (Deficit) of Revenues Over, (Under) Expenditures	(227,000)	(227,000)	327,496	554,496
OTHER FINANCING SOURCES, (USES)				
Transfers In	-	-	27,648	27,648
Total Other Financing Sources, -Uses	-	-	27,648	27,648
Net Change in Fund Balance	(227,000)	(227,000)	355,144	582,144
Beginning Fund Balance	227,000	227,000	218,173	(8,827)
Ending Fund Balance	\$ -	\$ -	\$ 573,317	\$ 573,317
(1) Appropriation Level				

CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON

SUPPLEMENTARY INFORMATION

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2020**

CITY OF ST. HELENS URBAN RENEWAL AGENCY

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,259</u>	<u>\$ 1,259</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>1,259</u>	<u>1,259</u>
Beginning Fund Balance	<u>-</u>	<u>-</u>	<u>51,595</u>	<u>51,595</u>
Ending Fund Balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 52,854</u></u>	<u><u>\$ 52,854</u></u>

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY (NON-GAAP) BASIS
For the Year Ended June 30, 2020**

<u>WATER FUND</u>				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Charges for Services	\$ 3,763,000	\$ 3,550,000	\$ 3,366,954	\$ (183,046)
Miscellaneous	25,000	17,000	5,986	(11,014)
Total Revenues	3,788,000	3,567,000	3,372,940	(194,060)
EXPENDITURES				
Operations				
Distribution	2,253,500	2,253,500	2,235,313	18,187
Filtration	449,000	412,300	405,425	6,875
Capital Outlay	375,000	300,000	295,997	4,003
Total Operations	3,077,500	2,965,800	(1) 2,936,735	29,065
Debt Service	499,000	500,000	(1) 498,901	1,099
Contingency	1,883,200	2,083,200	(1) -	2,083,200
Total Expenditures	5,459,700	5,549,000	3,435,636	2,113,364
Excess, (Deficit) of Revenues Over, (Under) Expenditures	(1,671,700)	(1,982,000)	(62,696)	1,919,304
OTHER FINANCING SOURCES, (USES)				
Transfers Out	-	(25,000)	(1) (24,777)	223
Transfers In	221,700	221,000	221,700	700
Total Other Financing Sources, (Uses)	221,700	221,000	196,923	(24,077)
Net Change in Fund Balance	(1,450,000)	(1,761,000)	134,227	1,895,227
Beginning Fund Balance	3,450,000	3,761,000	3,771,179	10,179
Ending Fund Balance	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>	3,905,406	<u>\$ 1,905,406</u>
Reconciliation to GAAP Net Position:				
Water SDC Fund Balance			985,183	
Net Capital Assets			13,253,316	
Deferred Outflows			442,613	
Deferred Inflows			(82,438)	
Proportionate Share of the Net Pension Liability			(1,024,374)	
OPEB - GASB 75			(50,360)	
Deferred Revenue			300,000	
Accrued Interest			(7,007)	
Long-Term Debt			(3,578,000)	
Compensated Absences			(76,135)	
Net Position			<u>\$ 14,068,204</u>	

(1) Appropriation Level

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY (NON-GAAP) BASIS
For the Year Ended June 30, 2020**

<u>SEWER FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Charges for Services	\$ 4,086,500	\$ 4,502,000	\$ 4,183,287	\$ (318,713)
Interest	12,000	12,000	10,000	(2,000)
Miscellaneous	1,500	-	-	-
Total Revenues	<u>4,100,000</u>	<u>4,514,000</u>	<u>4,193,287</u>	<u>(320,713)</u>
EXPENDITURES				
Operations				
Collections	2,142,000	2,142,000	2,168,445	(26,445)
Primary Treatment	275,500	275,500	310,740	(35,240)
Secondary Treatment	766,000	546,000	483,878	62,122
Pump Services	193,500	193,500	191,848	1,652
Capital Outlay	200,000	200,000	153,774	46,226
Total Operations	<u>3,577,000</u>	<u>3,357,000</u>	(1) 3,308,685	<u>48,315</u>
Debt Service	578,000	605,000	(1) 602,769	2,231
Contingency	1,261,050	2,338,000	(1) -	2,338,000
Total Expenditures	<u>5,416,050</u>	<u>6,300,000</u>	<u>3,911,454</u>	<u>2,388,546</u>
Excess, (Deficit) of Revenues Over, (Under) Expenditures	<u>(1,316,050)</u>	<u>(1,786,000)</u>	<u>281,833</u>	<u>2,067,833</u>
OTHER FINANCING SOURCES, (USES)				
Transfers In	316,050	316,000	316,050	50
Transfers Out	-	(30,000)	(1) (28,607)	1,393
Total Other Financing Sources, (Uses)	<u>316,050</u>	<u>286,000</u>	<u>287,443</u>	<u>1,443</u>
Net Change in Fund Balance	<u>(1,000,000)</u>	<u>(1,500,000)</u>	<u>569,276</u>	<u>2,069,276</u>
Beginning Fund Balance	<u>2,000,000</u>	<u>2,500,000</u>	<u>2,514,931</u>	<u>14,931</u>
Ending Fund Balance	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 3,084,207</u>	<u>\$ 2,084,207</u>
Reconciliation to GAAP Net Position:				
Sewer SDC Fund Balance			1,554,535	
Net Capital Assets			11,400,272	
Deferred Outflows			617,793	
Deferred Inflows			(112,691)	
Proportionate Share of the Net Pension Liability			(1,434,120)	
OPEB - GASB 75			(54,556)	
Deferred Revenue			379,611	
Accrued Interest			(39,654)	
Long-Term Debt			(6,097,622)	
Compensated Absences			(101,513)	
Net Position			<u>\$ 9,196,262</u>	

(1) Appropriation Level

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY (NON-GAAP) BASIS
For the Year Ended June 30, 2020**

	<u>STORM FUND</u>			VARIANCE POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES				
Charges for Services	\$ 920,500	\$ 1,050,000	\$ 986,842	\$ (63,158)
Interest	5,000	5,000	5,000	-
Total Revenues	925,500	1,055,000	991,842	(63,158)
EXPENDITURES				
Operations	1,476,000	1,490,000	(1) 1,267,331	222,669
Contingency	767,100	998,000	(1) -	998,000
Total Expenditures	2,243,100	2,488,000	1,267,331	1,220,669
Excess, (Deficit) of Revenues Over, (Under) Expenditures	(1,317,600)	(1,433,000)	(275,489)	1,157,511
OTHER FINANCING SOURCES, (USES)				
Transfers In	117,600	117,000	117,600	600
Transfers Out	-	(2,000)	(1) (1,519)	481
Total Other Financing Sources, (Uses)	117,600	115,000	116,081	1,081
Net Change in Fund Balance	(1,200,000)	(1,318,000)	(159,408)	1,158,592
Beginning Fund Balance	2,200,000	2,318,000	2,323,825	5,825
Ending Fund Balance	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	2,164,417	<u>\$ 1,164,417</u>
Reconciliation to GAAP Net Position:				
Storm SDC Fund			355,396	
Net Capital Assets			6,280,495	
Deferred Outflows			206,259	
Deferred Inflows			(38,041)	
Proportionate Share of the Net Pension Liability			(478,042)	
OPEB - GASB 75			(20,983)	
Compensated Absences			(35,530)	
Net Position			<u>\$ 8,433,971</u>	

(1) Appropriation Level

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2020**

	<u>WATER SDC FUND</u>			
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Charges for Services	\$ 50,000	\$ 50,000	\$ 252,268	\$ 202,268
Total Revenues	50,000	50,000	252,268	202,268
EXPENDITURES				
Materials and Services	305,000	305,000	-	305,000
Capital Outlay	435,000	435,000	-	435,000
Total Expenditures	740,000	740,000	(1) -	740,000
Excess, (Deficit) of Revenues Over, (Under) Expenditures	(690,000)	(690,000)	252,268	942,268
OTHER FINANCING SOURCES, (USES)				
Transfers In	-	-	24,777	24,777
Total Other Financing Sources, -Uses	-	-	24,777	24,777
Net Change in Fund Balance	(690,000)	(690,000)	277,045	967,045
Beginning Fund Balance	690,000	690,000	708,138	18,138
Ending Fund Balance	\$ -	\$ -	\$ 985,183	\$ 985,183

(1) Appropriation Level

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2020**

	<u>SEWER SDC</u>			
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Charges for Services	\$ 50,000	\$ 50,000	\$ 221,378	\$ 171,378
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>221,378</u>	<u>171,378</u>
EXPENDITURES				
Materials and Services	505,000	505,000	1,127	503,873
Capital Outlay	<u>811,000</u>	<u>811,000</u>	<u>-</u>	<u>811,000</u>
Total Expenditures	<u>1,316,000</u>	<u>1,316,000</u>	(1) <u>1,127</u>	<u>1,314,873</u>
Excess, (Deficit) of Revenues Over, (Under) Expenditures	(1,266,000)	(1,266,000)	220,251	1,486,251
OTHER FINANCING SOURCES, (USES)				
Transfers In	<u>-</u>	<u>-</u>	<u>28,607</u>	<u>28,607</u>
Total Other Financing Sources, -Uses	<u>-</u>	<u>-</u>	<u>28,607</u>	<u>28,607</u>
Net Change in Fund Balance	(1,266,000)	(1,266,000)	248,858	1,514,858
Beginning Fund Balance	<u>1,266,000</u>	<u>1,266,000</u>	<u>1,305,677</u>	<u>39,677</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,554,535</u>	<u>\$ 1,554,535</u>

(1) Appropriation Level

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2020**

	<u>STORM SDC FUND</u>			
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Charges for Services	\$ 50,000	\$ 50,000	\$ 106,381	\$ 56,381
Total Revenues	50,000	50,000	106,381	56,381
EXPENDITURES				
Materials and Services	155,000	155,000	4,115	150,885
Capital Outlay	143,000	143,000	-	143,000
Total Expenditures	298,000	298,000	(1) 4,115	293,885
Excess, (Deficit) of Revenues Over, (Under) Expenditures	(248,000)	(248,000)	102,266	350,266
OTHER FINANCING SOURCES, (USES)				
Transfers In	-	-	1,519	1,519
Total Other Financing Sources, -Uses	-	-	1,519	1,519
Net Change in Fund Balance	(248,000)	(248,000)	103,785	351,785
Beginning Fund Balance	248,000	248,000	251,611	3,611
Ending Fund Balance	\$ -	\$ -	\$ 355,396	\$ 355,396

(1) Appropriation Level

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2020**

	INFORMATION TECHNOLOGY	EQUIPMENT	PUBLIC WORKS OPERATIONS	FACILITY MAJOR MAINTENANCE	TOTAL
ASSETS					
Current:					
Cash and Investments	\$ 18,310	\$ 391,733	\$ 316,640	403,051	\$ 1,129,734
Inventories	-	9,255	-	-	9,255
Total Current Assets	18,310	400,988	316,640	403,051	1,138,989
Capital Assets, (Net)	-	25,716	-	-	25,716
Total Assets	<u>\$ 18,310</u>	<u>\$ 426,704</u>	<u>\$ 316,640</u>	<u>403,051</u>	<u>\$ 1,164,705</u>
LIABILITIES AND NET POSITION					
Liabilities:					
Accounts Payable and Accrued Liabilities	\$ 519	\$ 2,571	\$ 1,575	8,417	\$ 13,082
Total Liabilities	519	2,571	1,575	8,417	13,082
Net Position:					
Net Investment in Capital Assets	-	25,716	-	-	25,716
Unrestricted	17,791	398,417	315,065	394,634	1,125,907
Total Net Position	17,791	424,133	315,065	394,634	1,151,623
Total Liabilities and Net Position	<u>\$ 18,310</u>	<u>\$ 426,704</u>	<u>\$ 316,640</u>	<u>403,051</u>	<u>\$ 1,164,705</u>

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN NET POSITION - INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2020**

	INFORMATION TECHNOLOGY	EQUIPMENT	PUBLIC WORKS OPERATIONS	FACILITY MAJOR MAINTENANCE	TOTAL
OPERATING REVENUES					
Internal Charges	\$ 206,789	\$ 727,526	\$ 3,253,500	60,000	\$ 4,247,815
Charges for Services	-	-	59,398	-	59,398
Total Revenues	206,789	727,526	3,312,898	60,000	4,307,213
OPERATING EXPENDITURES					
Operations	567,770	611,395	2,843,392	5,937	4,028,494
Depreciation	-	8,127	-	-	8,127
Total Expenditures	567,770	619,522	2,843,392	5,937	4,036,621
Operating Income, (Loss)	(360,981)	108,004	469,506	54,063	270,592
NONOPERATING REVENUES, (EXPENDITURES)					
Intergovernmental	-	-	-	137,270	137,270
Miscellaneous	25,693	-	23,885	7,723	57,301
Total Nonoperating Revenues, (Expenditures)	25,693	-	23,885	144,993	194,571
Income Before Other Financing Items	(335,288)	108,004	493,391	199,056	465,163
OTHER FINANCING SOURCES, (USES)					
Transfers	215,000	-	(937,950)	-	(722,950)
Capital Contributions	-	(167,794)	-	(238,773)	(406,567)
Total Other Financing Sources, (Uses)	215,000	(167,794)	(937,950)	(238,773)	(1,129,517)
Change in Net Position	(120,288)	(59,790)	(444,559)	(39,717)	(664,354)
Beginning Net Position	138,079	483,923	759,624	434,351	1,815,977
Ending Net Position	\$ 17,791	\$ 424,133	\$ 315,065	394,634	\$ 1,151,623

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2020**

	INFORMATION TECHNOLOGY	EQUIPMENT	PUBLIC WORKS	FACILITY MAJOR MAINTENANCE	TOTAL
Cash Flows from Operating Activities:					
Cash Received from Customers	\$ 206,789	\$ 727,526	\$ 3,312,898	60,000	\$ 4,307,213
Cash Paid to Suppliers	(568,331)	(614,771)	(292,752)	(24,287)	(1,500,141)
Cash Paid to Employees	-	-	(2,577,782)	-	(2,577,782)
Net Cash Provided -Used by Operating Activities	(361,542)	112,755	442,364	35,713	229,290
Cash Flows from Noncapital Financing Activities:					
Transfers	215,000	-	(937,950)	-	(722,950)
Assets Purchased for Other Funds	-	(167,794)	-	(238,773)	(406,567)
Miscellaneous Revenues/Expenditures	25,693	-	23,885	7,723	57,301
Net Cash Provided -Used by Noncapital Financing Activities	240,693	(167,794)	(914,065)	(231,050)	(1,072,216)
Cash Flows from Capital and Related Financing Activities:					
Intergovernmental Revenues	-	-	-	137,270	137,270
Net Cash Provided -Used by Capital and Related Financing Activities	-	-	-	137,270	137,270
Net Increase -Decrease in Cash and Cash Equivalents	(120,849)	(55,039)	(471,701)	(58,067)	(705,656)
Cash and Investments at Beginning of Year	139,159	446,772	788,341	461,118	1,835,390
Cash and Investments at End of Year	\$ 18,310	\$ 391,733	\$ 316,640	403,051	\$ 1,129,734
Reconciliation of Operating Income to Net Cash Provided by Operating Activities					
Operating Income, -Loss	\$ (360,981)	\$ 108,004	\$ 469,506	54,063	\$ 270,592
Noncash Items Included in Income:					
Depreciation	-	8,127	-	-	8,127
Decrease -Increase in Accounts Receivable					
Decrease -Increase in Inventory	-	(117)	-	-	(117)
Increase -Decrease in Accounts Payable and Accrued Liabilities	(561)	(3,259)	(27,142)	(18,350)	(49,312)
Net Cash Provided -Used by Operating Activities	\$ (361,542)	\$ 112,755	\$ 442,364	35,713	\$ 229,290

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2020**

INFORMATION TECHNOLOGY FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Charges for Interfund Services	\$ 226,000	\$ 206,000	\$ 206,789	\$ 789
Miscellaneous	-	25,000	25,693	693
Total Revenue	226,000	231,000	232,482	1,482
EXPENDITURES				
Operations	421,000	584,000 (1)	567,770	16,230
Contingency	30,000	- (1)	-	-
Total Expenditures	451,000	584,000	567,770	16,230
Excess of Revenues Over/(Under) Expenditures	(225,000)	(353,000)	(335,288)	17,712
OTHER FINANCING SOURCES, -USES				
Transfers In	85,000	215,000	215,000	-
Total Other Financing Sources, -Uses	85,000	215,000	215,000	-
Net Change in Fund Balance	(140,000)	(138,000)	(120,288)	17,712
Beginning Fund Balance	140,000	138,000	138,079	79
Ending Fund Balance	\$ -	\$ -	\$ 17,791	\$ 17,791

(1) Appropriation Level

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2020**

	<u>EQUIPMENT FUND</u>			
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Charges for Interfund Services	<u>\$ 575,000</u>	<u>\$ 770,000</u>	<u>\$ 727,526</u>	<u>\$ (42,474)</u>
Total Revenue	<u>575,000</u>	<u>770,000</u>	<u>727,526</u>	<u>(42,474)</u>
EXPENDITURES				
Operations	730,500	925,500 (1)	779,189	146,311
Contingency	<u>514,500</u>	<u>514,500 (1)</u>	<u>-</u>	<u>514,500</u>
Total Expenditures	<u>1,245,000</u>	<u>1,440,000</u>	<u>779,189</u>	<u>660,811</u>
Net Change in Fund Balance	(670,000)	(670,000)	(51,663)	618,337
Beginning Fund Balance	<u>670,000</u>	<u>670,000</u>	<u>450,080</u>	<u>(219,920)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>398,417</u>	<u>\$ 398,417</u>
Reconciling Items:				
Net Capital Assets			<u>25,716</u>	
Net Position			<u>\$ 424,133</u>	

(1) Appropriation Level

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2020**

<u>PUBLIC WORKS FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Miscellaneous	\$ -	\$ 23,500	\$ 23,885	\$ 385
Engineering Fees	30,000	55,000	59,398	4,398
Charges for Interfund Services	<u>3,223,000</u>	<u>3,253,500</u>	<u>3,253,500</u>	<u>-</u>
Total Revenues	<u>3,253,000</u>	<u>3,332,000</u>	<u>3,336,783</u>	<u>4,783</u>
EXPENDITURES				
Operations	<u>3,145,500</u>	<u>3,143,500</u>	(1) <u>2,843,392</u>	<u>300,108</u>
Contingency	<u>7,500</u>	<u>7,500</u>	(1) <u>-</u>	<u>7,500</u>
Total Expenditures	<u>3,153,000</u>	<u>3,151,000</u>	<u>2,843,392</u>	<u>307,608</u>
Excess, (Deficit) of Revenues Over, (Under) Expenditures	100,000	181,000	493,391	312,391
OTHER FINANCING SOURCES, (USES)				
Transfers Out	<u>(820,000)</u>	<u>(940,000)</u>	(1) <u>(937,950)</u>	<u>2,050</u>
Total Other Financing Sources, (Uses)	<u>(820,000)</u>	<u>(940,000)</u>	<u>(937,950)</u>	<u>2,050</u>
Net Change in Fund Balance	(720,000)	(759,000)	(444,559)	314,441
Beginning Fund Balance	<u>720,000</u>	<u>759,000</u>	<u>759,624</u>	<u>624</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 315,065</u>	<u>\$ 315,065</u>

(1) Appropriation Level

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2020**

FACILITY MAJOR MAINTENANCE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Internal Charges	\$ 60,000	\$ 60,000	\$ 60,000	\$ -
Intergovernmental	-	137,000	137,270	270
Miscellaneous	-	7,000	7,723	723
Total Revenues	60,000	204,000	204,993	993
EXPENDITURES				
Operations	345,000	293,000 (1)	244,710	48,290
Contingency	345,000	345,000 (1)	-	345,000
Total Expenditures	690,000	638,000	244,710	393,290
Net Change in Fund Balance	(630,000)	(434,000)	(39,717)	394,283
Beginning Fund Balance	630,000	434,000	434,351	351
Ending Fund Balance	\$ -	\$ -	\$ 394,634	\$ 394,634

(1) Appropriation Level

CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON

**INDEPENDENT AUDITORS' REPORT REQUIRED BY
OREGON STATE REGULATIONS**



PAULY, ROGERS, AND Co., P.C.
12700 SW 72nd Ave. ♦ Tigard, OR 97223
(503) 620-2632 ♦ (503) 684-7523 FAX
www.paulyrogersandcocpas.com

June 21, 2021

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the City of St. Helens as of and for the year ended June 30, 2020, and have issued our report thereon dated June 21, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

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

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

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

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

1. We noted one instance where actual expenditures exceeded appropriations as noted on page 16.

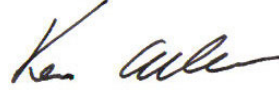
OAR 162-10-0230 Internal Control

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

We noted matters involving the internal control structure and its operation that we consider to be significant deficiencies under standards established by the American Institute of Certified Public Accountants, which are noted in our management letter dated June 21, 2021.

Independent Auditors' Report Required by Oregon State Regulations

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

A handwritten signature in dark ink, appearing to read "Ken Allen", is positioned above the printed name.

Kenneth Allen, CPA

Municipal Auditor

PAULY, ROGERS AND CO., P.C.