



CITY OF STAYTON
FINANCIAL REPORT
Year Ended June 30, 2024

CITY OF STAYTON
OFFICERS AND MEMBERS OF THE GOVERNING BODY
Year Ended June 30, 2024

MAYOR

Brian Quigley

CITY COUNCIL *

David Giglio

Ben McDonald

Jordan Ohrt

David Patty

Steve Sims

*The Mayor and Councilors receive mail at the City address

CITY MANAGER

Julia Hajduk

CITY ADDRESS

362 N. Third Avenue
Stayton, Oregon 97383

CITY OF STAYTON

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	A – D
MANAGEMENT'S DISCUSSION AND ANALYSIS	i – ix
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	1
Statement of Net Position	2
Statement of Activities	
Fund Financial Statements	
Governmental Funds	
Balance Sheet	3
Reconciliation of the Balance Sheet to the Statement of Net Position	4
Statement of Revenues, Expenditures and Changes in Fund Balances	5
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	6
Proprietary Funds	
Statement of Net Position	7
Statement of Revenues, Expenses and Changes in Net Position	8
Statement of Cash Flows	9
Fiduciary Funds	
Statement of Net Position	10
Statement of Changes in Net Position	11
Notes to Basic Financial Statements	12 – 58
REQUIRED SUPPLEMENTARY INFORMATION	
Statements of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
General	59
Street	60
Notes to Required Supplementary Information	61 – 62
Schedule of the Proportionate Share of the Net Pension Liability - Oregon Public Employees Retirement System	63
Schedule of Contributions - Oregon Public Employees Retirement System	64
Schedule of Net Pension Liability and Changes in Net Pension Liability - Retirement Plan for the Employees of the City of Stayton	65
Schedule of Employer Contributions - Retirement Plan for the Employees of the City of Stayton	66
Schedule of Investment Rate of Return - Retirement Plan for the Employees of the City of Stayton	67
Schedule of Net Other Postemployment Benefit Liability and Changes in Net Other Postemployment Benefit Liability - Employee Benefit Plan for the Employees of the City of Stayton	68
Schedule of Employer Contributions - Employee Benefit Plan for the Employees of the City of Stayton	69

CITY OF STAYTON

CONTENTS

Page

REQUIRED SUPPLEMENTARY INFORMATION (Continued)

Schedule of Money Weighted Rate of Return – Employee Benefit Plan for the Employees of the City of Stayton	70
Schedule of Changes in the City’s Total Other – Postemployment Benefits Liability and Related Ratios	71

COMBINING FINANCIAL STATEMENTS AND INDIVIDUAL FUND SCHEDULES

Nonmajor Governmental Funds	
Combining Balance Sheets	72
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	73
Special Revenue Funds	
Combining Balance Sheets	74
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	75
Capital Projects Funds	
Combining Balance Sheets	76
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	77
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Special Revenue Funds	
Library	78
Parks	79
Swimming Pool	80
Capital Projects Fund	
Street System Development Charges	81
Parks System Development Charges	82
Facilities	83
Water Fund	
Combining Statement of Net Position	84
Combining Statement of Revenues, Expenses and Changes in Net Position	85
Combining Statement of Cash Flows	86
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Water	87
Water System Development Charges	88
Wastewater Fund	
Combining Statement of Net Position	89
Combining Statement of Revenues, Expenses and Changes in Net Position	90
Combining Statement of Cash Flows	91
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Wastewater	92
Wastewater System Development Charges	93

CITY OF STAYTON

CONTENTS

Page

COMBINING FINANCIAL STATEMENTS AND INDIVIDUAL FUND SCHEDULES (Continued)

Stormwater Fund

Combining Statement of Net Position	94
Combining Statement of Revenues, Expenses and Changes in Net Position	95
Combining Statement of Cash Flows	96
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Stormwater	97
Stormwater System Development Charges	98

Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Net Position	99
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Public Works	100

Pension Trust Funds

Combining Statement of Net Position	101
Combining Statement of Changes in Net Position	102

COMPLIANCE SECTION

Independent Auditor's Report Required by Oregon State Regulations	103 – 104
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Basic Financial Statements Performed in Accordance with Government Auditing Standards	105 – 106

THIS PAGE LEFT INTENTIONALLY BLANK

INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council
City of Stayton
Stayton, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Stayton, Oregon (the "City"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 Stayton, Oregon, as of June 30, 2024, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 18 of the financial statements, during the year the City implemented the provisions of Governmental Accounting Standards Board Statement 100, *Accounting Changes and Error Corrections*. Our opinion is not modified with respect to this matter.

As discussed in Note 17 of the financial statements, the City reported changes in the financial reporting entity. Our opinion is not modified with respect to this matter.

To the Mayor and City Council
Council City of Stayton
Stayton, Oregon
Independent Auditor's Report

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

To the Mayor and City Council
Council City of Stayton
Stayton, Oregon
Independent Auditor's Report

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages *i –viii* and the pension and other postemployment benefit schedules on pages 63 – 71 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The budgetary comparison schedules on pages 59 - 60 for the General and Street funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the budgetary comparison schedules for the General and Street funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining statements and individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining statements and individual fund schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

To the Mayor and City Council
Council City of Stayton
Stayton, Oregon
Independent Auditor's Report

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Other Reporting Required by Oregon State Regulations

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated March 6, 2025, on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Singer Lewak LLP

March 6, 2025

By:

A handwritten signature in dark ink, appearing to read 'B. Bingenheimer', written over a light blue horizontal line.

Bradley G. Bingenheimer, Partner

MANAGEMENT'S DISCUSSION AND ANALYSIS



City of Stayton

Administration • Finance

362 N. Third Avenue • Stayton, OR 97383
Phone: 503-769-3425

Management's Discussion and Analysis

The management of the City of Stayton provides readers of the City's financial statements with this narrative overview and analysis of the financial activities for the fiscal year ending June 30, 2024 (FY24).

Financial Highlights

- The City's overall net position (assets minus liabilities) increased by \$3.4m (6%) during FY24, after a 10% increase in FY23. Business Type funds (see "Proprietary Funds" on the next page) increased by \$2.1m (5.5%) and Governmental Funds (defined on the next page) increased by \$1.3m (7.2%).
- The City's positions were filled as needed and employee turnover was normal.
- Some budgeted capital projects were shifted to next year as current staffing levels are not adequate to complete them all on top of the normal workload.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information.

Government-wide financial statements. The two government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business. Both statements separate governmental and business-type activities.

The statement of net position presents information on all the City's assets and liabilities with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The following table shows the historical net position for the City.

Historical Net Position

(in millions)

	FY24	FY23
Governmental Funds	\$19.0	\$17.8
Proprietary Funds	\$41.0	\$38.9
Total	\$60.0	\$56.6

POLICE
386 N. THIRD AVENUE
STAYTON, OR 97383
(503) 769-3423
FAX (503) 769-7497

PLANNING
362 N. THIRD AVENUE
STAYTON, OR 97383
(503) 769-2998
FAX (503) 767-2134

POOL
333 E. BURNETT STREET
STAYTON, OR 97383
(503) 767-7665

PUBLIC WORKS
362 N. THIRD AVENUE
STAYTON, OR 97383
(503) 769-2919
FAX (503) 767-2134

WASTEWATER
950 JETTERS WAY
STAYTON, OR 97383
(503) 769-2810
FAX (503) 769-7413

LIBRARY
515 N. FIRST AVENUE
STAYTON, OR 97383
(503) 769-3313
FAX (503) 769-3218



City of Stayton

Administration • Finance

362 N. Third Avenue • Stayton, OR 97383
Phone: 503-769-3425

The statement of activities presents information showing how the City'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 and earned but unused vacation leave).

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

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and change in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City has eight (8) active governmental funds including General Fund, Streets, Parks, Library, Pool, Facilities, Street SDC (System Development Charges), and Parks SDC. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General and Street Funds. Information for the remaining six (6) (non-major) funds are combined into a single aggregate presentation. Individual fund information for each of the remaining funds is provided in the form of combining schedules in the supplemental information.

POLICE
386 N. THIRD AVENUE
STAYTON, OR 97383
(503) 769-3423
FAX (503) 769-7497

PLANNING
362 N. THIRD AVENUE
STAYTON, OR 97383
(503) 769-2998
FAX (503) 767-2134

POOL
333 E. BURNETT STREET
STAYTON, OR 97383
(503) 767-7665

PUBLIC WORKS
362 N. THIRD AVENUE
STAYTON, OR 97383
(503) 769-2919
FAX (503) 767-2134

WASTEWATER
950 JETTERS WAY
STAYTON, OR 97383
(503) 769-2810
FAX (503) 769-7413

LIBRARY
515 N. FIRST AVENUE
STAYTON, OR 97383
(503) 769-3313
FAX (503) 769-3218



City of Stayton

Administration • Finance

362 N. Third Avenue • Stayton, OR 97383
Phone: 503-769-3425

Proprietary Funds. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses six (6) enterprise funds to account for its water, wastewater, stormwater, and related system development charges. The City uses one internal service fund to account for Public Works Administration.

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

Fiduciary funds. Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, and other governments. Agency funds are custodial in nature and do not involve measurement of results of operations.

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

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Budgetary comparison schedules for major governmental funds are presented immediately following the notes to the basic financial statements.

Other Supplementary Information. The combining statements referred to earlier in connection with non-major governmental funds and budgetary comparison schedules for both the non-major governmental funds and the proprietary funds are presented immediately following the required supplementary information.

POLICE
386 N. THIRD AVENUE
STAYTON, OR 97383
(503) 769-3423
FAX (503) 769-7497

PLANNING
362 N. THIRD AVENUE
STAYTON, OR 97383
(503) 769-2998
FAX (503) 767-2134

POOL
333 E. BURNETT STREET
STAYTON, OR 97383
(503) 767-7665

PUBLIC WORKS
362 N. THIRD AVENUE
STAYTON, OR 97383
(503) 769-2919
FAX (503) 767-2134

WASTEWATER
950 JETTERS WAY
STAYTON, OR 97383
(503) 769-2810
FAX (503) 769-7413

LIBRARY
515 N. FIRST AVENUE
STAYTON, OR 97383
(503) 769-3313
FAX (503) 769-3218



City of Stayton

Administration • Finance

362 N. Third Avenue • Stayton, OR 97383
Phone: 503-769-3425

Government-wide Financial Analysis

Table 1 - Net Position as of June 30
(amounts in thousands)

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current and other assets	\$ 11,579	\$ 11,342	\$ 11,487	\$ 11,577	\$ 23,066	\$ 22,919
Capital assets	9,993	9,306	41,890	40,688	51,883	49,994
Total assets	21,572	20,648	53,377	52,265	74,949	72,913
Deferred outflows of resources	2,080	1,958	562	555	2,642	2,513
Liabilities						
Long-term liabilities	1,690	1,787	12,019	12,814	13,709	14,601
Other liabilities	1,304	1,294	829	1,043	2,133	2,337
Total liabilities	2,994	3,081	12,848	13,857	15,842	16,938
Deferred inflows of resources	1,626	1,767	85	86	1,711	1,853
Net position:						
Net investment in capital assets	9,993	9,233	30,241	28,148	40,234	37,381
Restricted for:						
Highways and streets	2,244	1,905	-	-	2,244	1,905
Swimming pool	177	137	-	-	177	137
Library	375	409	-	-	375	409
Parks	261	250	-	-	261	250
Capital projects	2,272	2,161	2,375	2,328	4,647	4,489
Debt service	-	-	517	517	517	517
Other purposes	73	26	30	-	103	26
Unrestricted	3,637	3,637	7,843	7,884	11,480	11,521
Total net position	<u>\$ 19,032</u>	<u>\$ 17,758</u>	<u>\$ 41,006</u>	<u>\$ 38,877</u>	<u>\$ 60,038</u>	<u>\$ 56,635</u>

Net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflows exceeded liabilities and deferred inflows by \$60.0m in FY24. This represents a 6.0% increase which follows an increases of 10% in FY23.

The City's net investment in capital assets reflects its investment in land, buildings, infrastructure, and equipment, less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay these debts must be provided by other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

POLICE
386 N. THIRD AVENUE
STAYTON, OR 97383
(503) 769-3423
FAX (503) 769-7497

PLANNING
362 N. THIRD AVENUE
STAYTON, OR 97383
(503) 769-2998
FAX (503) 767-2134

POOL
333 E. BURNETT STREET
STAYTON, OR 97383
(503) 767-7665

PUBLIC WORKS
362 N. THIRD AVENUE
STAYTON, OR 97383
(503) 769-2919
FAX (503) 767-2134

WASTEWATER
950 JETTERS WAY
STAYTON, OR 97383
(503) 769-2810
FAX (503) 769-7413

LIBRARY
515 N. FIRST AVENUE
STAYTON, OR 97383
(503) 769-3313
FAX (503) 769-3218



City of Stayton

Administration • Finance

362 N. Third Avenue • Stayton, OR 97383
Phone: 503-769-3425

Table 2 - Changes in Net Position

(amounts in thousands)

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues						
Charges for Services	\$ 456	\$ 349	\$ 6,688	\$ 5,968	\$ 7,144	\$ 6,317
Grants /Contributions	1,041	2,111	530	1,290	1,571	3,401
General revenue						
Property taxes	3,140	3,049	-	-	3,140	3,049
Other general revenues	2,162	1,805	529	283	2,691	2,088
Total revenue	6,799	7,314	7,747	7,541	14,546	14,855
Expenses						
Governmental activities						
General government	1,538	1,267	-	-	1,538	1,267
Public safety	2,610	2,755	-	-	2,610	2,755
Highways and streets	766	620	-	-	766	620
Culture and recreation	1,324	1,062	-	-	1,324	1,062
Business-type activities						
Water	-	-	1,654	1,432	1,654	1,432
Wastewater	-	-	2,774	2,243	2,774	2,243
Stormwater	-	-	477	319	477	319
Total expenses	6,238	5,704	4,905	3,994	11,143	9,698
Change in net position before transfers	561	1,610	2,842	3,547	3,403	5,157
Transfers	713	732	(713)	(732)	-	-
Change in net position	1,274	2,342	2,129	2,815	3,403	5,157
Net position - beginning	17,758	15,416	38,877	36,062	56,635	51,478
Net position - ending	\$ 19,032	\$ 17,758	\$ 41,006	\$ 38,877	\$ 60,038	\$ 56,635

At the end of the current fiscal year, the City can report positive balances of net position in both its governmental and business-type activities.

Governmental activities. During FY24, Governmental activities increased in net position by \$1.3m or 7.2% (down from a 15.2% increase in FY23). Compared to FY23, total revenues were \$515k lower and total expenses were \$523k higher. Notably:

- FY24 Grant/Contribution revenues for one-time System Development Charges were \$912k lower due to one-time grant funding received in 2023.
- FY24 Interest earnings were \$122k higher due to higher interest rates.
- FY24 Charges for Services for Street fees increased by \$94k due to the doubling of the street fee.
- FY24 Expenses were \$523k higher: Streets had one-time expenditures for a street sweeper (\$405k) and the roundabout design (\$237k).

POLICE
386 N. THIRD AVENUE
STAYTON, OR 97383
(503) 769-3423
FAX (503) 769-7497

PLANNING
362 N. THIRD AVENUE
STAYTON, OR 97383
(503) 769-2998
FAX (503) 767-2134

POOL
333 E. BURNETT STREET
STAYTON, OR 97383
(503) 767-7665

PUBLIC WORKS
362 N. THIRD AVENUE
STAYTON, OR 97383
(503) 769-2919
FAX (503) 767-2134

WASTEWATER
950 JETTERS WAY
STAYTON, OR 97383
(503) 769-2810
FAX (503) 769-7413

LIBRARY
515 N. FIRST AVENUE
STAYTON, OR 97383
(503) 769-3313
FAX (503) 769-3218



City of Stayton

Administration • Finance

362 N. Third Avenue • Stayton, OR 97383
Phone: 503-769-3425

Business-type activities. During FY24, Business-type activities increased in net position by \$2.1m or 5.5% (down from a 7.8% increase in FY23). Compared to FY23, total revenues were \$206k higher and total expenses were \$911k higher. Notably:

- FY24 Charges for Services and Interest income were higher and SDC revenues were lower due to an increase in water and sewer rates and higher interest rates.
- FY24 Expenses for Wastewater capital system improvements were \$1.1m higher due to wastewater improvement projects.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, the unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The City's unassigned General Fund balance decreased by 8.8% to \$3.0m (following an 18.9% increase in FY23).

As of the end of the 2024 fiscal year, the City's total governmental funds ending balance is \$9.2m, an increase of \$1.1m (13.3%) from the previous year-end. Most of this is attributable to the shifting of the Facilities fund (\$870k) from a Proprietary Fund to a Governmental fund plus modest increases to the Parks and Streets SDC funds.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. As of June 30, the unrestricted net position of the enterprise funds increased \$.1m as follows (in thousands):

	2024	2023
Water Fund	\$ 1,502	\$ 1,237
Wastewater Fund	5,591	5,710
Stormwater Fund	428	412
Total Enterprise Funds	\$ 7,521	\$ 7,359

General Fund Budgetary Highlights

General Fund revenue of \$4.2m was just under the \$4.3 budgeted amount. Similar to last year, the budgeted revenue for the HUD Downtown grant was higher than received (by \$456k in FY24). Franchise fees revenue was \$159k more than budgeted and interest income was \$118k more than budgeted.

POLICE
386 N. THIRD AVENUE
STAYTON, OR 97383
(503) 769-3423
FAX (503) 769-7497

PLANNING
362 N. THIRD AVENUE
STAYTON, OR 97383
(503) 769-2998
FAX (503) 767-2134

POOL
333 E. BURNETT STREET
STAYTON, OR 97383
(503) 767-7665

PUBLIC WORKS
362 N. THIRD AVENUE
STAYTON, OR 97383
(503) 769-2919
FAX (503) 767-2134

WASTEWATER
950 JETTERS WAY
STAYTON, OR 97383
(503) 769-2810
FAX (503) 769-7413

LIBRARY
515 N. FIRST AVENUE
STAYTON, OR 97383
(503) 769-3313
FAX (503) 769-3218



City of Stayton

Administration • Finance

362 N. Third Avenue • Stayton, OR 97383
Phone: 503-769-3425

General Fund expenditures, net of contingency, were \$1.1m under budget. The delay in the HUD grant accounts for \$450k, savings in the Police Department account for \$292k, and Administration was underspent by \$181k.

There was one appropriation transfer during the year which increased the Street Lights department by \$15,000 and decreased contingency.

Capital Asset and Debt Administration

Capital assets. The investment in capital assets includes land, buildings and improvements, infrastructure, equipment, and vehicles. The City's net investment in capital assets for its governmental and business-type activities as of June 30, 2024, increased by \$2.9m to \$40.2m (net of accumulated depreciation).

During fiscal year 2024, the City acquired \$.6m of governmental assets, net of deletions and reclassifications, while incurring \$0.2m in accumulated depreciation, net of deletions and reclassifications. Major acquisitions included a street sweeper (\$405k) and street overlays on Douglas Ave (\$202k).

During fiscal year 2024, the City acquired \$.3m of business-type assets, net of deletions and reclassifications, while incurring \$1m in accumulated depreciation, net of deletions and reclassifications. Major projects included new water lines under Douglas Avenue and improvements to the Water Treatment Facility.

The following table summarizes the City's capital assets as of June 30, 2024, and 2023:

Table 3 Capital Assets as of June 30th

(net of depreciation, in thousands)

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 1,795	\$ 1,795	\$ 1,933	\$ 1,933	\$ 3,728	\$ 3,728
Construction in progress	559	287	2,601	690	3,160	977
Infrastructure	3,418	3,191	35,826	36,559	39,244	39,750
Buildings and improvements	3,565	3,722	979	1,017	4,544	4,739
Equipment and vehicles	656	311	551	489	1,207	800
Capital assets, net of depreciation	\$ 9,993	\$ 9,306	\$ 41,890	\$ 40,688	\$ 51,883	\$ 49,994

Additional information on the City's capital assets can be found in note 5.

POLICE
386 N. THIRD AVENUE
STAYTON, OR 97383
(503) 769-3423
FAX (503) 769-7497

PLANNING
362 N. THIRD AVENUE
STAYTON, OR 97383
(503) 769-2998
FAX (503) 767-2134

POOL
333 E. BURNETT STREET
STAYTON, OR 97383
(503) 767-7665

PUBLIC WORKS
362 N. THIRD AVENUE
STAYTON, OR 97383
(503) 769-2919
FAX (503) 767-2134

WASTEWATER
950 JETTERS WAY
STAYTON, OR 97383
(503) 769-2810
FAX (503) 769-7413

LIBRARY
515 N. FIRST AVENUE
STAYTON, OR 97383
(503) 769-3313
FAX (503) 769-3218



City of Stayton

Administration • Finance

362 N. Third Avenue • Stayton, OR 97383
Phone: 503-769-3425

Long-term debt

Table 4 - Outstanding Long-term Debt Obligations as of June 30th
(in thousands)

	Business-type Activities	
	2024	2023
Bonds payable	\$ 11,291	\$ 12,119

The current year's principal payments were \$0.8m. Additional information on the City's long-term debt can be found in note 10.

Economic Factors and Next Year's Budgets and Rates

The economy seems to be stable with a fairly positive outlook. Inflation has declined to normal levels and our interest earnings are declining to normal levels as well. The City has been able to obtain grants at the Federal and State levels which provide much-needed funding for capital improvements to our wastewater, water, and transportation systems. The City has filled some vacant positions but the Public Works Director, a key position, remains vacant.

In preparing the budget for fiscal year 2024-25, the City made modest increases to the Water, Wastewater, and Stormwater rates. These adjustments follow the recommendations of a consulting firm that completed a study of our rates. The increases are necessary to ensure that the revenues are sufficient to operate and maintain the infrastructure both now and into the future.

The 2024-25 budget includes starting multiple capital projects to manage and improve our infrastructure. This is necessary for the functions and services of our community and to meet the 2023-25 Council goals. The City will be moving to a two-year budget beginning with the July 1, 2026 year.

The City has a significant known risk concerning the Detroit Dam Drawdown. The City is preparing for possible water quality problems due to a planned release of sediment from Detroit Dam in the fall of 2025 and each year after. This project, led by the U.S. Army Corps of Engineers (USACE), aims to improve fish migration but could seriously impact Stayton's water supply. This issue has the potential for a major loss of revenue for our Water, Wastewater, Streets, and Stormwater funds. If our residents stop receiving drinkable water, they may decide to stop paying their utility ("Water") bills. Also, if the City's water filters all fail, we will have around \$10m in additional costs to recover and rebuild.

POLICE
386 N. THIRD AVENUE
STAYTON, OR 97383
(503) 769-3423
FAX (503) 769-7497

PLANNING
362 N. THIRD AVENUE
STAYTON, OR 97383
(503) 769-2998
FAX (503) 767-2134

POOL
333 E. BURNETT STREET
STAYTON, OR 97383
(503) 767-7665

PUBLIC WORKS
362 N. THIRD AVENUE
STAYTON, OR 97383
(503) 769-2919
FAX (503) 767-2134

WASTEWATER
950 JETTERS WAY
STAYTON, OR 97383
(503) 769-2810
FAX (503) 769-7413

LIBRARY
515 N. FIRST AVENUE
STAYTON, OR 97383
(503) 769-3313
FAX (503) 769-3218



City of Stayton

Administration • Finance

362 N. Third Avenue • Stayton, OR 97383
Phone: 503-769-3425

Requests for information. This financial report is designed to provide a general overview of the City's finances for all 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 the Finance Director and can be requested by email at citygovernment@staytonoregon.gov or by stopping by or writing to the City at 362 N. 3rd Avenue, Stayton, 97383.

POLICE
386 N. THIRD AVENUE
STAYTON, OR 97383
(503) 769-3423
FAX (503) 769-7497

PLANNING
362 N. THIRD AVENUE
STAYTON, OR 97383
(503) 769-2998
FAX (503) 767-2134

POOL
333 E. BURNETT STREET
STAYTON, OR 97383
(503) 767-7665

PUBLIC WORKS
362 N. THIRD AVENUE
STAYTON, OR 97383
(503) 769-2919
FAX (503) 767-2134

WASTEWATER
950 JETTERS WAY
STAYTON, OR 97383
(503) 769-2810
FAX (503) 769-7413

LIBRARY
515 N. FIRST AVENUE
STAYTON, OR 97383
(503) 769-3313
FAX (503) 769-3218

BASIC FINANCIAL STATEMENTS

CITY OF STAYTON
STATEMENT OF NET POSITION
June 30, 2024

	Governmental Activities	Business-type Activities	Totals
Assets			
Cash and cash equivalents	\$ 10,067,681	\$ 10,245,055	\$ 20,312,736
Internal balances	49,020	(49,020)	-
Receivables, net	401,558	568,407	969,965
Inventory	51,108	692,353	743,461
Net other postemployment benefit asset	49,724	29,917	79,641
Lease receivable	959,315	-	959,315
Capital assets:			
Capital assets, nondepreciable	2,354,107	4,534,153	6,888,260
Capital assets, net of accumulated depreciation	<u>7,639,161</u>	<u>37,356,225</u>	<u>44,995,386</u>
 Total assets	 <u>21,571,674</u>	 <u>53,377,090</u>	 <u>74,948,764</u>
Deferred outflows of resources			
Refunded debt charges	-	26,945	26,945
Pension related items	1,967,614	485,477	2,453,091
Other postemployment benefit related items	<u>112,774</u>	<u>49,866</u>	<u>162,640</u>
 Total deferred outflows of resources	 <u>2,080,388</u>	 <u>562,288</u>	 <u>2,642,676</u>
Liabilities			
Accounts payable and accrued liabilities	339,939	423,609	763,548
Accrued interest payable	-	174,799	174,799
Unearned revenue	941,872	108,928	1,050,800
Deposits	22,501	122,336	144,837
Long-term liabilities:			
Due within one year	177,710	996,336	1,174,046
Due in more than one year	<u>1,512,027</u>	<u>11,022,411</u>	<u>12,534,438</u>
 Total liabilities	 <u>2,994,049</u>	 <u>12,848,419</u>	 <u>15,842,468</u>
Deferred inflows of resources			
Leases	883,708	-	883,708
Pension related items	691,398	57,456	748,854
Other postemployment benefit related items	<u>50,537</u>	<u>28,213</u>	<u>78,750</u>
 Total deferred inflows of resources	 <u>1,625,643</u>	 <u>85,669</u>	 <u>1,711,312</u>
Net position			
Net investment in capital assets	9,993,268	30,240,589	40,233,857
Restricted for:			
Highways and streets	2,243,630	-	2,243,630
Swimming pool	176,636	-	176,636
Library	375,329	-	375,329
Parks	260,954	-	260,954
Capital projects	2,272,153	2,374,613	4,646,766
Debt service	-	517,490	517,490
OPEB asset	49,724	29,917	79,641
Other purposes	23,390	-	23,390
Unrestricted	<u>3,637,286</u>	<u>7,842,681</u>	<u>11,479,967</u>
 Total net position	 <u>\$ 19,032,370</u>	 <u>\$ 41,005,290</u>	 <u>\$ 60,037,660</u>

See notes to financial statements

CITY OF STAYTON
STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals
Governmental activities:							
General government	\$ 1,537,728	\$ 50,276	\$ 16,837	\$ 311	\$ (1,470,304)	\$ -	\$ (1,470,304)
Public safety	2,610,123	79,384	7,239	-	(2,523,500)	-	(2,523,500)
Highways and streets	766,481	187,790	860,855	8,883	291,047	-	291,047
Culture and recreation	1,323,510	138,661	139,765	7,902	(1,037,182)	-	(1,037,182)
Total governmental activities	6,237,842	456,111	1,024,696	17,096	(4,739,939)	-	(4,739,939)
Business-type activities:							
Water	1,654,142	2,300,795	-	10,198	-	656,851	656,851
Wastewater	2,774,371	3,906,441	-	508,563	-	1,640,633	1,640,633
Stormwater	477,429	480,510	-	10,824	-	13,905	13,905
Total business-type activities	4,905,942	6,687,746	-	529,585	-	2,311,389	2,311,389
Totals	\$ 11,143,784	\$ 7,143,857	\$ 1,024,696	\$ 546,681	(4,739,939)	2,311,389	(2,428,550)
General revenues:							
Taxes levied for:							
General purposes					2,484,471	-	2,484,471
Specific purposes					655,914	-	655,914
Franchise fees					895,954	-	895,954
Fuel taxes					181,349	-	181,349
Grants and contributions not restricted to specific programs					409,785	-	409,785
Rents					82,996	-	82,996
Unrestricted investment earnings					517,493	506,044	1,023,537
Miscellaneous					74,209	23,524	97,733
Transfers					713,116	(713,116)	-
Total general revenues and transfers					6,015,287	(183,548)	5,831,739
Change in net position					1,275,348	2,127,841	3,403,189
Net position - beginning					17,757,022	38,877,449	56,634,471
Net position - ending					\$ 19,032,370	\$ 41,005,290	\$ 60,037,660

See notes to financial statements

CITY OF STAYTON
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2024

	General	Street	Total Nonmajor Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 3,716,954	\$ 2,378,325	\$ 3,972,801	\$ 10,068,080
Receivables	289,119	93,816	18,623	401,558
Lease receivable	959,315	-	-	959,315
Due from other funds	46,000	-	-	46,000
Total assets	\$ 5,011,388	\$ 2,472,141	\$ 3,991,424	\$ 11,474,953
Liabilities, deferred inflows and fund balances				
Liabilities				
Accounts payable and accrued liabilities	\$ 101,207	\$ 207,861	\$ 31,270	\$ 340,338
Unearned revenue	921,222	20,650	-	941,872
Consumer deposits	22,501	-	-	22,501
Total liabilities	1,044,930	228,511	31,270	1,304,711
Deferred inflows of resources				
Leases	883,708	-	-	883,708
Unavailable revenue	76,860	-	11,516	88,376
Total deferred inflows of resources	960,568	-	11,516	972,084
Fund balances				
Restricted for:				
Highways and streets	-	2,243,630	-	2,243,630
Library	-	-	373,108	373,108
Parks	-	-	260,954	260,954
Swimming pool	-	-	172,283	172,283
Capital projects	-	-	2,272,153	2,272,153
Other purposes	23,390	-	-	23,390
Committed for:				
Capital projects	-	-	870,140	870,140
Unassigned	2,982,500	-	-	2,982,500
Total fund balances	3,005,890	2,243,630	3,948,638	9,198,158
Total liabilities, deferred inflows and fund balances	\$ 5,011,388	\$ 2,472,141	\$ 3,991,424	\$ 11,474,953

See notes to financial statements

CITY OF STAYTON
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
June 30, 2024

Fund balances - total governmental funds	\$ 9,198,158
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
Inventories used in governmental activities are not current financial resources and, therefore, are not reported in the funds	51,108
The statement of net position reports a net other postemployment benefit asset for its participation in the retirement plan and other postemployment benefit plan for employees of City of Stayton	49,724
Other long-term assets are not available for current period expenditures and, therefore, are reported as unavailable revenue in the funds	88,376
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	9,993,268
The government-wide statements report as a deferred outflow, contributions made to OPERS subsequent to the measurement date, and changes in assumptions and investment returns related to its participation in OPERS and the retirement plan for employees of City of Stayton	1,967,614
The government-wide statements report as a deferred outflow, contributions made subsequent to the measurement date, and the net difference between projected and actual earnings related to its participation in other postemployment benefit plans for employees of the City of Stayton	112,774
The government-wide statements report a deferred inflow related to changes in assumptions and investment returns related to participation in OPERS and the retirement plan for employees of City of Stayton	(691,398)
The government-wide statements report a deferred inflow related to changes in assumptions and investment returns related to participation in other postemployment benefit plans for employees of City of Stayton	(50,537)
Internal service funds are used by management to charge the costs of centralized services and facilities maintenance services to individual funds. A portion of the assets and liabilities of the internal service funds is included in governmental activities in the statement of net position	3,020
Some liabilities, including bonds payable, compensated absences, net pension liability and other postemployment benefit liability, are not due and payable in the current period and, therefore, are not reported in the funds	<u>(1,689,737)</u>
Net position of governmental activities	<u>\$ 19,032,370</u>

See notes to financial statements

CITY OF STAYTON
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2024

	General	Street	Total Nonmajor Funds	Total Governmental Funds
Revenues				
Property taxes	\$ 2,476,558	\$ -	\$ 655,914	\$ 3,132,472
Franchise fees	895,954	-	-	895,954
Licenses, permits and fees	50,276	-	910	51,186
Fines and forfeitures	82,538	-	6,172	88,710
Charges for services	7,206	187,790	131,579	326,575
System development charges	-	-	13,985	13,985
Intergovernmental	410,861	860,855	162,765	1,434,481
Rent	80,341	-	2,655	82,996
Fuel taxes	-	181,349	-	181,349
Interest	194,932	120,476	192,191	507,599
Miscellaneous	34,463	31,657	8,036	74,156
Total revenues	<u>4,233,129</u>	<u>1,382,127</u>	<u>1,174,207</u>	<u>6,789,463</u>
Expenditures				
Current				
General government	1,648,260	-	10,670	1,658,930
Public safety	2,526,649	-	-	2,526,649
Highways and streets	104,223	280,016	-	384,239
Culture and recreation	79,309	-	1,203,183	1,282,492
Capital outlay	<u>111,687</u>	<u>1,018,318</u>	<u>31,418</u>	<u>1,161,423</u>
Total expenditures	<u>4,470,128</u>	<u>1,298,334</u>	<u>1,245,271</u>	<u>7,013,733</u>
Excess (deficiency) of revenues over expenditures	<u>(236,999)</u>	<u>83,793</u>	<u>(71,064)</u>	<u>(224,270)</u>
Other financing sources (uses)				
Transfers in	966,500	514,234	493,800	1,974,534
Transfers out	<u>(995,100)</u>	<u>(259,151)</u>	<u>(189,832)</u>	<u>(1,444,083)</u>
Total other financing sources (uses)	<u>(28,600)</u>	<u>255,083</u>	<u>303,968</u>	<u>530,451</u>
Net change in fund balances	<u>(265,599)</u>	<u>338,876</u>	<u>232,904</u>	<u>306,181</u>
Fund balances at beginning of year, as previously reported	3,521,905	1,904,754	2,695,010	8,121,669
Change within financial reporting entity	<u>(250,416)</u>	<u>-</u>	<u>1,020,724</u>	<u>770,308</u>
Fund balances at beginning of year, as restated	<u>3,271,489</u>	<u>1,904,754</u>	<u>3,715,734</u>	<u>8,891,977</u>
Fund balances at end of year	<u>\$ 3,005,890</u>	<u>\$ 2,243,630</u>	<u>\$ 3,948,638</u>	<u>\$ 9,198,158</u>

See notes to financial statements

CITY OF STAYTON
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

Net change in fund balances - total governmental funds	\$ 306,181
<i>Amounts reported for governmental activities in the Statement of Activities are different because of the following</i>	
Governmental funds report the acquisition of capital assets as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. The difference between those two amounts is:	
Acquisition of capital asset	1,157,775
Depreciation	<u>(470,972)</u> 686,803
Governmental funds report the acquisition of inventory supplies as expenditures while governmental activities report them as inventory on the Statement of Net Position	20,327
The changes in net pension liability (asset) and deferred inflows and outflows related to the entity's participation in OPERS and the Retirement Plan for Employees of the City of Stayton are reported as pension expense on the statement of activities	391,179
The changes in other postemployment benefit liability (asset) and deferred outflows related to the entity's participation in the Retirement Health Insurance Account for employees of the City are reported as other postemployment benefit revenue on the statement of activities	(3,729)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(2,447)
Internal service funds are used by management to charge the costs of public works services to individual funds. A portion of the assets and liabilities of the internal service funds is included in governmental activities in the statement of net position	(77,463)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Compensated absences	<u>(45,503)</u>
Change in net position of governmental activities	<u>\$ 1,275,348</u>

See notes to financial statements

CITY OF STAYTON
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2024

	Enterprise Funds			Total Enterprise Funds	Internal Service Fund
	Water	Wastewater	Stormwater		
Assets					
Current assets					
Cash and cash equivalents	\$ 2,446,867	\$ 6,450,169	\$ 973,990	\$ 9,871,026	\$ 374,029
Receivables, net	193,107	329,643	45,657	568,407	-
Inventory	115,506	576,847	-	692,353	-
Total current assets	2,755,480	7,356,659	1,019,647	11,131,786	374,029
Net other postemployment benefits asset	7,047	11,693	1,037	19,777	10,140
Capital assets					
Capital assets, nondepreciable	89,820	2,758,621	1,685,712	4,534,153	-
Capital assets, net of accumulated depreciation	12,657,171	19,794,105	4,904,949	37,356,225	-
Total capital assets	12,746,991	22,552,726	6,590,661	41,890,378	-
Total assets	15,509,518	29,921,078	7,611,345	53,041,941	384,169
Deferred outflows of resources					
Refunded debt charges	26,945	-	-	26,945	-
Pension related items	130,244	158,011	13,297	301,552	183,925
Other postemployment benefit related items	12,903	17,185	1,341	31,429	18,437
Total deferred outflows of resources	170,092	175,196	14,638	359,926	202,362
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	18,056	288,672	32,868	339,596	84,013
Accrued interest payable	7,092	160,781	6,926	174,799	-
Consumer deposits	61,432	60,904	-	122,336	-
Due to other funds	-	-	46,000	46,000	-
Compensated absences	21,726	30,335	-	52,061	23,950
Bonds payable	281,414	608,326	30,585	920,325	-
Total current liabilities	498,648	1,149,018	116,379	1,764,045	107,963
Noncurrent liabilities					
Compensated absences					
Bonds payable	2,223,486	7,950,232	555,746	10,729,464	-
Net pension liability	46,556	59,242	4,712	105,798	64,603
Net other postemployment benefits liability	30,462	43,338	3,193	73,800	40,841
Total noncurrent liabilities	2,300,504	8,052,812	563,651	10,353,316	105,444
Total liabilities	2,799,152	9,201,830	680,030	23,026,423	318,851
Deferred inflows of resources					
Pension related items	4,544	38,427	4,949	47,920	9,536
Other postemployment benefit related items	6,908	10,828	838	18,574	9,639
Total deferred inflows of resources	11,452	49,255	5,787	66,494	19,175
Net position					
Net investment in capital assets	10,242,091	13,994,168	6,004,330	30,240,589	-
Restricted for:					
Capital projects	1,124,859	742,411	507,343	2,374,613	-
Debt service	-	517,490	-	517,490	-
Unrestricted	1,502,056	5,591,120	428,493	7,521,669	353,949
Total net position	\$ 12,869,006	\$ 20,845,189	\$ 6,940,166	\$ 40,654,361	\$ 353,949
Adjustment to reflect internal service fund balances related to business-type activities				350,929	
Net position of the business-type activities				\$ 41,005,290	

See notes to financial statements

CITY OF STAYTON
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2024

	Enterprise Funds			Totals Enterprise Funds	Internal Service Funds
	Water	Wastewater	Stormwater		
Operating revenues					
Charges for services	\$ 2,300,795	\$ 3,906,441	\$ 480,510	\$ 6,687,746	\$ -
Licenses and permits	-	-	-	-	8,770
Total operating revenues	2,300,795	3,906,441	480,510	6,687,746	8,770
Operating expenses					
Personnel services	377,454	497,949	38,023	913,426	525,455
Materials and services	667,389	1,189,613	239,532	2,096,534	244,601
Depreciation	346,534	629,553	121,543	1,097,630	-
Total operating expenses	1,391,377	2,317,115	399,098	4,107,590	770,056
Operating income (loss)	909,418	1,589,326	81,412	2,580,156	(761,286)
Nonoperating revenues (expenses)					
Interest income	128,220	311,867	47,963	488,050	27,888
Miscellaneous	21,287	2,140	-	23,427	151
Debt service	(61,335)	-	-	(61,335)	-
Interest expense	-	(222,548)	(17,599)	(240,147)	-
Total nonoperating revenue (expenses)	88,172	91,459	30,364	209,995	28,039
Income (loss) before capital contributions and transfers	997,590	1,680,785	111,776	2,790,151	(733,247)
Capital contributions	7,904	505,889	10,132	523,925	-
Transfers in	-	-	-	-	481,300
Transfers out	(386,397)	(486,396)	(138,958)	(1,011,751)	-
Change in net position	619,097	1,700,278	(17,050)	2,302,325	(251,947)
Net position - beginning	12,249,909	19,144,911	6,957,216	38,352,036	1,449,248
Change within financial reporting entity (internal service fund to governmental fund)	-	-	-	-	(843,352)
Net position - beginning as restated	12,249,909	19,144,911	6,957,216	38,352,036	605,896
Net position - ending	\$ 12,869,006	\$ 20,845,189	\$ 6,940,166	\$ 40,654,361	\$ 353,949

**Reconciliation of the Statement of Revenues, Expenses,
and Changes in Net Position to the Statement of Activities:**

Change in net position:	\$ 2,302,325
Adjustment for the net effect of reclassifying former internal service fund to governmental funds	(171,454)
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds	(3,030)

Change in net position of the business-type activities **\$ 2,127,841**

See notes to financial statements

CITY OF STAYTON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2024

	Enterprise Funds			Total Enterprise Funds	Internal Service Funds
	Water	Wastewater	Stormwater		
Cash flows from operating activities					
Receipts from customers	\$ 2,302,851	\$ 3,933,552	\$ 466,916	\$ 6,703,319	\$ 8,770
Payments to suppliers	(775,498)	(1,142,064)	(209,930)	(2,127,492)	(445,768)
Payments to employees	(364,235)	(463,485)	(36,865)	(864,585)	(505,433)
Net cash provided by (used in) operating activities	<u>1,163,118</u>	<u>2,328,003</u>	<u>220,121</u>	<u>3,711,242</u>	<u>(942,431)</u>
Cash flows from noncapital financing activities					
Payments on interfund loan	-	-	(23,000)	(23,000)	-
Transfers in	-	-	-	-	481,300
Transfers out	(386,397)	(486,396)	(138,958)	(1,011,751)	-
Net cash provided by (used in) noncapital financing activities	<u>(386,397)</u>	<u>(486,396)</u>	<u>(161,958)</u>	<u>(1,034,751)</u>	<u>481,300</u>
Cash flows from capital and related financing activities					
System development charges received	7,904	5,889	10,132	23,925	-
Other	21,287	2,140	-	23,427	151
Grants	-	500,000	-	500,000	-
Acquisition of capital assets	(365,807)	(1,910,595)	(23,609)	(2,300,011)	-
Principal paid on long-term obligations	(235,000)	(563,144)	(29,575)	(827,719)	-
Interest paid on long-term obligations	(94,700)	(253,053)	(17,965)	(365,718)	-
Net cash provided by (used in) capital and related financing activities	<u>(666,316)</u>	<u>(2,218,763)</u>	<u>(61,017)</u>	<u>(2,946,096)</u>	<u>151</u>
Cash flows from investing activities					
Interest on investments	<u>128,220</u>	<u>311,867</u>	<u>47,963</u>	<u>488,050</u>	<u>27,888</u>
Net cash provided by (used in) investing activities	<u>128,220</u>	<u>311,867</u>	<u>47,963</u>	<u>488,050</u>	<u>27,888</u>
Net increase (decrease) in cash and cash equivalents	238,625	(65,289)	45,109	218,445	(433,092)
Cash and cash equivalents - beginning of year	<u>2,208,242</u>	<u>6,515,458</u>	<u>928,881</u>	<u>9,652,581</u>	<u>807,121</u>
Cash and cash equivalents - end of year	<u>2,446,867</u>	<u>\$ 6,450,169</u>	<u>\$ 973,990</u>	<u>\$ 9,871,026</u>	<u>\$ 374,029</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	\$ 909,418	\$ 1,589,326	\$ 81,412	\$ 2,580,156	\$ (761,286)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	346,534	629,553	121,543	1,097,630	-
(Increase) decrease in assets and deferred outflows					
Receivables, net	(5,787)	21,107	(13,594)	1,726	-
Inventories	(530)	(10,232)	-	(10,762)	-
Net other postemployment benefits asset	(3,919)	(4,990)	(397)	(9,306)	(5,438)
Deferred outflows - pension related items	(5,711)	(7,267)	(578)	(13,556)	(7,925)
Deferred outflows - other postemployment benefit related items	2,680	3,412	272	6,364	3,720
Increase (decrease) in liabilities and deferred inflows					
Accounts payable and accrued liabilities	(107,579)	57,781	29,602	(20,196)	(201,167)
Consumer deposits	7,843	6,004	-	13,847	-
Compensated absences payable	(690)	16,543	-	15,853	5,548
Net pension liability	20,394	26,174	1,814	48,382	23,471
Net other postemployment benefits liability	507	645	51	1,203	703
Deferred inflows - pension related items	(1,411)	(1,795)	(143)	(3,349)	(1,958)
Deferred inflows - other postemployment benefit related items	1,369	1,742	139	3,250	1,901
Net cash provided by (used in) operating activities	<u>\$ 1,163,118</u>	<u>\$ 2,328,003</u>	<u>\$ 220,121</u>	<u>\$ 3,711,242</u>	<u>\$ (942,431)</u>

See notes to financial statements

CITY OF STAYTON
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
June 30, 2024

	<u>Pension Trusts</u>
Assets	
Cash and cash equivalents	\$ 307,593
Receivables	44,810
Investments, at fair value	
Mutual funds	<u>11,289,513</u>
 Total assets	 <u>11,641,916</u>
 Net position	
Net position held in trust for:	
Pension benefits	11,289,613
Other postemployment benefits	<u>352,303</u>
 Total net position	 <u><u>\$ 11,641,916</u></u>

See notes to financial statements

CITY OF STAYTON
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
Year Ended June 30, 2024

	<u>Pension Trusts</u>
Additions	
Contributions	\$ 471,729
Investment earnings	<u>1,326,539</u>
Total additions	<u>1,798,268</u>
Deductions	
Benefits	<u>511,768</u>
Total deductions	<u>511,768</u>
Change in net position	1,286,500
Net position - beginning of year	<u>10,355,416</u>
Net position - end of year	<u>\$ 11,641,916</u>

See notes to financial statements

CITY OF STAYTON

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – FINANCIAL REPORTING ENTITY

The City of Stayton (the “City”) was organized under the general laws of the State of Oregon. Control of the City is vested in its Mayor and Council Members who are elected to office by voters within the City. Administrative functions are delegated to individuals who report to and are responsible to the Mayor and Council. The chief administrative officer is the City Manager.

The accompanying financial statements present all activities and funds for which the City is considered to be financially accountable. The criteria used in making this determination includes appointment of a voting majority, imposition of will, financial benefit or burden on the primary government, and fiscal dependency on the primary government.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Government-wide and fund financial statements

The government-wide financial statements (that is, the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. 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 proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. 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.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the functions of the City, the elimination of which would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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 two months of the end of the current fiscal period. Significant revenues, which are susceptible to accrual under the modified accrual basis of accounting, include property taxes and federal and state grants. Other revenue items are considered to be measurable and available when received by the City. 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.

The basis of accounting described above is in accordance with accounting principles generally accepted in the United States of America.

The City reports the following major governmental funds:

- *General* – The General Fund is the main operating fund of the City. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.
- *Street* – This fund provides for street and bridge repairs and maintenance within the City. The primary sources of revenue include state gas tax turnovers, local fuel tax approved by voters, and maintenance fees collected by the City.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City reports the following major proprietary funds:

- *Water* – The Water Fund is used to account for the provision of water services to the residents of the City. Activities of the fund include administration, operations, and maintenance of the water system and billing and collection activities. The primary source of revenue is user fees and charges.
- *Wastewater* – The Wastewater Fund is used to account for the provision of wastewater services to the residents of the City. Activities of the fund include administration, operations and maintenance of the wastewater system and billing and collection activities. The primary source of revenue is user fees and charges.
- *Stormwater* – The Stormwater Fund accounts for the City's stormwater utility activities. Annual maintenance objectives include storm basin and storm line cleaning, repair replacement, and tracking and billing storm charges. Revenues for this fund are received from storm user fees.

The City also reports the following fund types:

- *Special revenue* – are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- *Capital projects* – are used to account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by business-type or proprietary funds).
- *Enterprise* – accounts for the operations of predominately self-supporting activities. Enterprise funds account for services rendered to the public on a user charge basis.
- *Internal Service* – accounts for the cost of providing services to other funds of the City which are charged a fee on a cost reimbursement basis for those services.
- *Pension Trusts* – accounts for the Retirement Plan for Employees of the City of Stayton and the Retirement Health Insurance Account.

CITY OF STAYTON
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budget policies and budgetary control

Generally, Oregon Local Budget Law requires annual budgets be adopted for all funds except agency funds. The modified accrual basis of accounting is used for all budgets. All annual appropriations lapse at fiscal year-end.

The City begins its budgeting process by appointing Budget Committee members in the fall of each year. Budget recommendations are developed by management through early spring, with the Budget Committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in May or June and the hearing is held in June. The City Council adopts the budget, makes appropriations, and declares the tax levy no later than June 30. Expenditure appropriations may not be legally over-expended, except in the case of grant receipts and bond sale proceeds which could not be reasonably estimated at the time the budget was adopted.

The resolution authorizing appropriations for each fund sets the level at which expenditures cannot legally exceed appropriations. The City established the levels of budgetary control at the personnel services, materials and services, capital outlay, operating contingencies, debt service, and all other requirement levels for all funds except for the General Fund where budgetary control is established at the department level.

Cash and cash equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, checking, savings and money market accounts, and any highly liquid debt instruments purchased with a maturity of three months or less.

Property taxes

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic remittances of collections to entities levying taxes. Real and personal property taxes are levied upon all taxable property and become a lien against the property as of July 1 of each year. Property taxes are payable in three installments following the lien date each year on November 15, February 15 and May 15.

Uncollected property taxes in governmental funds are reported in governmental funds balance sheet as receivables; the portion which is available to finance expenditures of the current period is recorded as revenue and the remaining balance is recorded as unavailable revenue. Property taxes collected within 60 days of the end of the current period are considered measurable and available and are recognized as revenue.

User charges and fines receivable

User charges and fines receivable are reported at the amount management expects to collect on balances outstanding at year-end. Management closely monitors outstanding balances and writes off, as of year-end, all balances that have not been collected by the time the financial statements are issued.

CITY OF STAYTON
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories

Inventories are valued at the lower of cost (first-in, first-out method). Inventories consist of materials and supplies maintained for system maintenance and operation.

Capital assets

Capital assets are recorded in the statement of net position at cost or estimated historical cost if purchased or constructed. Donated items are recorded at their estimated fair value at the date of donation. The City records capital assets for items with original cost, or estimated fair value if donated, of \$10,000 or more and an expected economic useful life of 1 year or more.

Public domain (infrastructure) capital assets (such as, roads, bridges, sidewalks, storm sewers, and other assets that are immovable and of value to the City) that have been acquired or reconstructed have been capitalized at estimated historical cost.

Upon disposal of capital assets, the accounts are relieved of the related costs and accumulated depreciation, and resulting gains or losses are reflected in the change in net position. Depreciation taken on contributed capital assets is recorded as an expense of operations and charged to retained earnings.

Capital assets are depreciated using the straight-line method over the following estimated useful lives (with prorated depreciation in the year of acquisition and prorated depreciation in the year of disposal):

Infrastructure	40 to 75 years
Buildings and improvements	40 to 50 years
Equipment and vehicles	7 to 10 years

Long-term obligations

In the government-wide financial statements and the 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 related debt using the straight-line method. Bonds payable is reported net of the applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued, and premiums, are reported as other financing sources. Discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated absences

Vacation and earned compensated leave amounts are accrued as they are earned. Sick leave is earned each month with no limit on accumulation for Police represented employees and a 600-hour limit on accumulation for American Federation of State, County and Municipal Employees (AFSCME) and non-represented employees. Vacation may be accumulated up to 120-240 hours depending on years of service. Sick leave is not paid out upon termination; vacation leave is paid out if termination occurs after an initial six (6) month trial period.

Leases

Lease contracts for which the City is a lessor for a period of time, in excess of twelve months, are reported as a lease receivable and deferred inflow of resources in the government-wide and fund financial statements. At the commencement of the lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for the lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Pensions – Oregon Public Employee Retirement System (OPERS)

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

Pensions – Retirement Plan for Employees of the City of Stayton

Substantially all of the City's non-police employees are participants in the Retirement Plan for Employees of the City of Stayton (the "Plan"). Contributions to the Plan are made on a current basis as required by the Plan and are charged to expenditures or expenses when due and the employer has made a formal commitment to provide the contribution.

The assets of the Plan are invested in various mutual funds. The City pays the investment expenses of the Plan.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the net position of the Plan and additions to/deductions from the net position of the Plan have been determined on the same basis as reported by the Plan. 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.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other postemployment benefits

For purposes of measuring the net other postemployment benefit obligation, deferred outflows of resources and deferred inflows of resources related to the other postemployment benefit obligation, and other postemployment benefit expense, information about the fiduciary net position of the City of Stayton Retirement Health Insurance Account and additions to/deductions from net position have been determined on the same basis as they are reported by the City of Stayton Retirement Health Insurance Account. For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Deferred outflow / inflows of resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. These include refunded debt charges, pension related items, and other postemployment benefit related items.

In addition to liabilities, the statement of net position will report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents amounts that apply to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Pension related items which are amortized over specified periods are reported as deferred inflows of resources.

The balance sheet of governmental funds will report as deferred inflows unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net position

Government-wide and proprietary fund financial statements In the government-wide and proprietary fund financial statements, equity is classified as net position and displayed in three components:

Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position – All amounts that do not meet the definition of “restricted” or “invested in capital assets, net of related debt” are reported as “unrestricted net position.”

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

In the government-wide and proprietary fund financial statements, when both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund balance

Governmental fund type fund balance reporting

Governmental type fund balances are to be properly reported within one of the fund balance categories lists below:

Non-spendable — Amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted — Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed — Amounts that can be used only for specific purposes determined by a formal action of the City Council. The City Council is the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the City Council.

Assigned — Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The City Council has granted authority to the City Manager to assign fund balance amounts.

Unassigned — The residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. Additionally, other funds may report negative unassigned fund balance in certain circumstances.

In the governmental fund financial statements, when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assignment actions.

Risk management

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

CITY OF STAYTON
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS

The City's cash, cash equivalents and investments at June 30, 2024 are as follows:

Cash and cash equivalents	
Deposits with financial institutions	\$ 296,298
State of Oregon Local Government Investment Pool	742,568
Money markets	19,580,863
Cash on hand	<u>600</u>
Total cash and cash equivalents	20,620,329
Investments	
Mutual funds	<u>11,289,513</u>
Total cash, cash equivalents and investments	<u>\$ 31,909,842</u>

Cash, cash equivalents and investments are presented in the financial statements as follows:

Governmental activities	
Cash and cash equivalents	\$ 10,067,681
Business-type activities	
Cash and cash equivalents	<u>10,245,055</u>
Total cash and cash equivalents - government-wide statement of net position	<u>20,312,736</u>
Fiduciary funds	
Cash and cash equivalents	307,593
Investments	<u>11,289,513</u>
Total cash and cash equivalents - fiduciary funds	<u>11,597,106</u>
	<u>\$ 31,909,842</u>

The City maintains a pool of cash and cash equivalents that are available for use by all funds except for the Pension Trust. Each fund's portion of this pool is displayed on the financial statements as cash and cash equivalents. Interest earned on pooled cash and cash equivalents is allocated to participating funds based upon their combined cash and cash equivalents balances.

CITY OF STAYTON
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Deposits with financial institutions

Custodial Credit Risk – Deposits: This is the risk that in the event of a bank failure, the City's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the City's deposits with financial institutions up to \$250,000 each for the aggregate of all noninterest-bearing accounts and the aggregate of all interest-bearing accounts at each institution.

Deposits in excess of FDIC coverage with financial institutions participating in the Oregon Public Funds Collateralization Program are collateralized under the Public Funds Collateralization Program (PFCP) of the Oregon State Treasurer. The PFCP is a shared liability structure for participating financial institutions and is considered additional depository insurance as defined in GASB 40. Participating financial institutions are required to pledge securities, held by the Federal Home Loan Bank of Seattle in the name of the financial institution, with a value equal to at least 10%, with limited exceptions that may require up to 110%, of the amount of deposits of Oregon municipal corporations in excess of FDIC depository insurance. In the event of a failure of a participating financial institution the collective amount of all pledged securities under the PFCP are available to return the City's deposits. As of June 30, 2024, none of the City's deposits with financial institutions were exposed to custodial credit risk.

State of Oregon Local Government Investment Pool

Balances in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value. Fair value is determined at the quoted market price, if available; otherwise the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. The Oregon State Treasury administers the LGIP. The LGIP is an unrated, open-ended, no-load, diversified portfolio offered to any agency, political subdivision or public corporation of the state who by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. To provide regulatory oversight, the Oregon Legislature established the Oregon Short-Term Fund Board and LGIP investments are approved by the Oregon Investment Council. The fair value of the City's position in the LGIP is the same as the value of the pool shares.

Investments

As of June 30, 2023, the City had the following investments:

<u>Investment Type</u>	<u>Rating</u>	<u>Fair Value</u>	<u>Risk Concentration</u>	<u>Weighted Average Maturity (in months)</u>
Mutual funds	Not Rated	\$ <u>11,289,513</u>	100%	N/A

Credit Risk: Oregon 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. Additionally, the City's pension trust may invest in equity securities and mutual funds.

CITY OF STAYTON
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Concentration of Credit Risk: The City does not have a formal policy that places a limit on the amount that may be invested in any one issuer.

Interest Rate Risk: The City does not have a formal policy that limits investment maturities as a means of managing its exposure to fair-value losses arising from increases in interest rates.

Portfolio Credit Rating: The City does not have a formal policy that establishes a minimum average credit rating for its investment portfolio.

Custodial Credit Risk – Investments: This is the risk that, in the event of the failure of a counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. The City does not have a policy which limits the amount of investments that can be held by counterparties.

Fair Value Measurements: The City categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City's investment in equities and mutual funds are measured using Level 1 inputs.

NOTE 4 – RECEIVABLES

The City's receivables at June 30, 2024, are shown below:

	Governmental Activities / Funds				Business-type Activities / Proprietary Funds			
	General	Street	Total Nonmajor	Totals	Water	Wastewater	Stormwater	Totals
User charges	\$ -	\$ 16,965	\$ -	\$ 16,965	\$ 201,915	\$ 329,643	\$ 45,657	\$ 577,215
Property taxes	105,253	-	10,046	115,299	-	-	-	-
Accounts	206,988	76,851	2,306	286,145	-	-	-	-
Allowance for doubtful accounts	(16,851)	-	-	(16,851)	(8,808)	-	-	(8,808)
	<u>\$ 295,390</u>	<u>\$ 93,816</u>	<u>\$ 12,352</u>	<u>\$ 401,558</u>	<u>\$ 193,107</u>	<u>\$ 329,643</u>	<u>\$ 45,657</u>	<u>\$ 568,407</u>

CITY OF STAYTON
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 – CAPITAL ASSETS

Governmental activities

For the year ended June 30, 2024, capital asset activity for the governmental activities was as follows:

	Balances July 1, 2023	Additions	Deletions and Reclassifications	Balances June 30, 2024
<i>Governmental activities</i>				
Capital assets not being depreciated				
Land	\$ 1,795,206	\$ -	\$ -	\$ 1,795,206
Construction in progress	286,823	272,078	-	558,901
Total capital assets not being depreciated	<u>2,082,029</u>	<u>272,078</u>	<u>-</u>	<u>2,354,107</u>
Capital assets being depreciated				
Infrastructure	8,409,150	357,082	-	8,766,232
Buildings and improvements	7,805,757	41,542	-	7,847,299
Equipment and vehicles	<u>1,458,247</u>	<u>487,072</u>	<u>(314,780)</u>	<u>1,630,539</u>
Total capital assets being depreciated	<u>17,673,154</u>	<u>885,697</u>	<u>(314,780)</u>	<u>18,244,071</u>
Less accumulated depreciation for:				
Infrastructure	5,217,790	129,869	-	5,347,659
Buildings and improvements	4,081,535	198,182	1,986	4,281,703
Equipment and vehicles	<u>1,147,407</u>	<u>142,921</u>	<u>(314,780)</u>	<u>975,548</u>
Total accumulated depreciation	<u>10,446,732</u>	<u>470,972</u>	<u>(312,794)</u>	<u>10,604,910</u>
Total capital assets being depreciated, net	<u>7,226,422</u>	<u>414,725</u>	<u>(1,986)</u>	<u>7,639,161</u>
Governmental activities capital assets, net	<u>\$ 9,308,451</u>	<u>\$ 686,803</u>	<u>\$ (1,986)</u>	<u>\$ 9,993,268</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 40,247
Public safety	82,673
Highways and streets	184,667
Culture and recreation	<u>163,385</u>
Total depreciation expense - governmental activities	<u>\$ 470,972</u>

CITY OF STAYTON
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 – CAPITAL ASSETS (Continued)

Business-type activities

For the year ended June 30, 2024, capital asset activity for the business-type activities was as follows:

	Balances July 1, 2023	Additions	Deletions and Reclassifications	Balances June 30, 2024
<i>Business-type activities</i>				
Capital assets not being depreciated				
Land	\$ 1,932,869	\$ -	\$ -	\$ 1,932,869
Construction in progress	<u>690,403</u>	<u>1,910,881</u>	<u>-</u>	<u>2,601,284</u>
Total capital assets not being depreciated	<u>2,623,272</u>	<u>1,910,881</u>	<u>-</u>	<u>4,534,153</u>
Capital assets being depreciated				
Infrastructure	52,542,157	141,598	-	52,683,755
Buildings and improvements	2,884,578	10,187	-	2,894,765
Equipment and vehicles	<u>2,946,977</u>	<u>237,345</u>	<u>(121,545)</u>	<u>3,062,777</u>
Total capital assets being depreciated	<u>58,373,712</u>	<u>389,130</u>	<u>(121,545)</u>	<u>58,641,297</u>
Less accumulated depreciation for:				
Infrastructure	15,982,789	874,093	-	16,856,882
Buildings and improvements	1,868,452	47,431	-	1,915,883
Equipment and vehicles	<u>2,457,746</u>	<u>176,106</u>	<u>(121,545)</u>	<u>2,512,307</u>
Total accumulated depreciation	<u>20,308,987</u>	<u>1,097,630</u>	<u>(121,545)</u>	<u>21,285,072</u>
Total capital assets being depreciated, net	<u>38,064,725</u>	<u>(708,500)</u>	<u>-</u>	<u>37,356,225</u>
Business-type activities capital assets, net	<u>\$ 40,687,997</u>	<u>\$ 1,202,381</u>	<u>\$ -</u>	<u>\$ 41,890,378</u>

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

Water	\$ 346,534
Sewer	629,553
Stormwater	<u>121,543</u>
Total depreciation expense - business-type activities	<u>\$ 1,097,630</u>

NOTE 6 – LEASES

City as lessor

The City, as a lessor, has entered into lease agreements involving cell towers. The total amount of inflows of resources, including lease revenue and interest revenue, recognized during the year ended June 30, 2024 was \$42,215.

CITY OF STAYTON
NOTES TO THE FINANCIAL STATEMENTS

NOTE 7 – UNEARNED REVENUE

Governmental and proprietary funds record unearned revenue when resources have been received, but not yet earned. The unearned revenue as of June 30, 2024, relates to amounts received under grant, but which are not recognized as revenue until they have been expended. Amounts received but not expended within the grant period are required to be returned to the granting agency.

NOTE 8 – UNAVAILABLE REVENUE

Governmental funds reported deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. As of June 30, 2024, property taxes, court fees, franchise fees, and other miscellaneous items which are due the City, but not received within 60 days after year end are reported as unavailable revenue in the governmental funds. The components of unearned revenue and unavailable revenue were as follows:

	General	Total Nonmajor	Totals
Property taxes	\$ 75,910	\$ 6,574	\$ 82,484
Accounts	<u>5,892</u>	<u>-</u>	<u>5,892</u>
Total	<u>\$ 81,802</u>	<u>\$ 6,574</u>	<u>\$ 88,376</u>

NOTE 9 – INTERFUND TRANSACTIONS AND BALANCES

The interfund transfers during the year ended June 30, 2024, were as follows:

	Transfers in				
	General	Street	Nonmajor governmental	Internal Service	Total
Transfers out:					
General	\$ -	\$ 500,000	\$ 478,000	\$ 17,100	\$ 995,100
Street	119,200	-	3,200	136,751	259,151
Nonmajor governmental	155,600	14,234	3,100	16,898	189,832
Water Operations	255,700	-	4,800	125,897	386,397
Wastewater Operations	335,000	-	4,700	146,696	486,396
Stormwater	<u>101,000</u>	<u>-</u>	<u>-</u>	<u>37,958</u>	<u>138,958</u>
	<u>\$ 966,500</u>	<u>\$ 514,234</u>	<u>\$ 493,800</u>	<u>\$ 481,300</u>	<u>\$ 2,455,834</u>

CITY OF STAYTON
NOTES TO THE FINANCIAL STATEMENTS

NOTE 9 – INTERFUND TRANSACTIONS AND BALANCES (Continued)

As part of the budget process, the City anticipates making interfund transfers to move resources between funds to provide resources for specific expenditures that are not supported by other revenues.

Non-cash transfers occur when a fund 1) acquires capital assets which will be used in the operation of a different fund's activities, 2) issues long-term obligations which will be repaid out of a different fund's resources, 3) pays principal on long-term obligations reported in a different fund, or 4) allocates activities within the fund to a different fund.

The primary purpose for significant transfers included the following:

- Administrative transfers into the General fund from other funds reflect the effect of inflation on costs incurred.
- \$500,000 was transferred from the General fund to the Street fund for improvements.
- \$145,000 was transferred to the Pool fund from the General fund for operations.
- \$190,000 was transferred from the General fund to the Parks fund for homeless camp cleanup efforts.
- \$481,300 was transferred into the Public Works internal service fund from other City funds to support costs for services.

Interfund loan

In fiscal year 2015-16, the Vehicle Replacement Fund loaned \$230,000 to the Stormwater Fund. In fiscal year 2019-20, the Vehicle Replacement Fund was closed, and the remaining balance of the loan transferred to the General Fund. The loan is being repaid in annual installments of \$23,000 plus interest of 1 percent. At June 30, 2024, the interfund loan balance is \$46,000.

Noncash transfers between business-type activities and governmental activities

During the year, the Facilities Fund, formerly an internal service fund, was reclassified to a governmental capital project fund. Amounts previously allocated to business-type activities from that fund of \$182,665 were transferred to governmental activities.

NOTE 10 – LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended June 30, 2024:

	Outstanding July 1, 2023	Additions	Reductions	Outstanding June 30, 2024	Due Within One Year
<u>Governmental activities</u>					
<i>Other long-term obligations</i>					
Compensated absences	\$ 132,207	\$ 45,503	\$ -	\$ 177,710	\$ 177,710
Net pension liability	1,374,483	-	145,835	1,228,648	-
Net other postemployment benefit liability	280,417	2,962	-	283,379	-
Total long-term obligations - governmental activities	<u>\$ 1,787,107</u>	<u>\$ 48,465</u>	<u>\$ 145,835</u>	<u>\$ 1,689,737</u>	<u>\$ 177,710</u>

CITY OF STAYTON
NOTES TO THE FINANCIAL STATEMENTS

NOTE 10 – LONG-TERM OBLIGATIONS (Continued)

Business-type activities

Long-term debt

General obligation bonds:					
2013 Full Faith and Credit Refunding	\$ 2,025,000	\$ -	\$ 410,000	\$ 1,615,000	\$ 425,000
2016 Full Faith and Credit Refunding	2,485,000	-	235,000	2,250,000	245,000
2019 Full Faith and Credit	615,906	-	29,575	586,331	30,585
Direct borrowing - revenue bond:					
USDA Sewer Revenue Bonds	6,992,820	-	153,144	6,839,676	157,356
Premium	421,166	-	62,384	358,782	62,384
Total long-term debt	<u>12,539,892</u>	<u>-</u>	<u>890,103</u>	<u>11,649,789</u>	<u>920,325</u>

Other long-term obligations

Compensated absences	54,610	21,401	-	76,011	76,011
Net pension liability	103,260	71,853	-	175,113	-
Net other postemployment benefit liability	115,928	1,906	-	117,834	-
Total long-term obligations - business-type activities	<u>\$ 12,813,690</u>	<u>\$ 95,160</u>	<u>\$ 890,103</u>	<u>\$ 12,018,747</u>	<u>\$ 996,336</u>

Business-type activities long-term debt obligations

2013 Full Faith and Credit Refunding – The City issued bonds in the amount of \$5,810,000 to refund previously issued long-term obligations. Interest on outstanding bonds varies between 2% and 4% based on bond maturity dates.

2016 Full Faith and Credit Refunding – The City issued bonds in the amount of \$3,945,000 to refund previously issued long-term obligations. Interest on outstanding bonds varies between 1.15% and 4% based on bond maturity dates.

2019 Full Faith and Credit – The City issued bonds in the amount of \$725,000 to finance stormwater system improvements. Semi-annual payments vary from \$23,116 to \$25,013 and include interest calculated at a variable rate. The variable interest rate starts at 2.62%. On and after each Reset Date of February 1, 2024, February 1, 2029 and February 1, 2034, the adjustable rate is adjusted to equal the five-year Federal Home Loan Bank Des Moines Regular Fixed Advance Rate index as of that Reset Date, plus 25 basis points, calculated on a 30/360 day basis. In no event shall the adjustable interest rate fall below 2.62% or exceed 7.62% per annum.

USDA Sewer Revenue Bonds – The City issued bonds in the amount of \$8,316,000 to finance sewer improvements. Annual payments of \$345,447 include interest at 2.75%. The City must maintain a loan reserve in the amount of \$944,848 to pay for operations, maintenance and future bond payments.

CITY OF STAYTON
NOTES TO THE FINANCIAL STATEMENTS

NOTE 10 – LONG-TERM OBLIGATIONS (Continued)

Future maturities of long-term obligations – business-type activities

As of June 30, 2024, the future maturities of long-term obligations for business-type activities are as follows:

Fiscal Year	2013 Full Faith and Credit		2016 Full Faith and Credit		2019 Full Faith and Credit	
	Refunding		Refunding		Financing	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 425,000	\$ 48,450	\$ 245,000	\$ 85,100	\$ 30,585	\$ 16,396
2026	435,000	35,700	255,000	75,100	31,632	15,480
2027	445,000	22,650	265,000	64,700	32,713	14,533
2028	310,000	9,300	275,000	53,900	33,832	13,553
2029	-	-	285,000	42,700	34,988	12,540
2030-34	-	-	925,000	56,100	193,722	46,244
2035-39	-	-	-	-	229,179	16,928
2040-44	-	-	-	-	(320)	-
2045-49	-	-	-	-	-	-
2050-54	-	-	-	-	-	-
2055-59	-	-	-	-	-	-
	<u>\$ 1,615,000</u>	<u>\$ 116,100</u>	<u>\$ 2,250,000</u>	<u>\$ 377,600</u>	<u>\$ 586,331</u>	<u>\$ 135,674</u>

	USDA Sewer		Unamortized			
Fiscal	Revenue Bonds		Premium	Totals		
Year	Principal	Interest	Amortization	Principal	Interest	
2025	\$ 157,356	\$ 188,091	\$ 62,384	\$ 920,325	\$ 338,037	
2026	161,683	183,764	62,384	945,699	310,044	
2027	166,130	179,318	62,384	971,227	281,201	
2028	170,698	174,749	62,384	851,914	251,502	
2029	175,392	170,055	36,414	531,794	225,295	
2030-34	952,019	775,216	72,832	2,143,573	877,560	
2035-39	1,090,321	636,914	-	1,319,500	653,842	
2040-44	1,248,716	478,519	-	1,248,396	478,519	
2045-49	1,430,122	297,113	-	1,430,122	297,113	
2050-54	1,287,239	89,494	-	1,287,239	89,494	
2055-59	-	-	-	-	-	
	\$ 6,839,676	\$ 3,173,233	\$ 358,782	\$ 11,649,789	\$ 3,802,607	

Other long-term obligations

Compensated absences

Employees of the City can accrue compensated leave amounts as described in note 2. Amounts accumulated are vested and will be paid upon termination or retirement. The General, Library, Public Works, Water, Wastewater and Storm Water Funds have typically been used to liquidate the liability for compensated absences.

CITY OF STAYTON
NOTES TO THE FINANCIAL STATEMENTS

NOTE 10 – LONG-TERM OBLIGATIONS (Continued)

Net pension and other postemployment benefit (OPEB) liabilities

Net pension and OPEB liabilities are discussed in notes 11 through 15. The General, Library, Public Works, Water, Wastewater and Storm Water Funds have typically been used to liquidate the liability for the net pension and OPEB liabilities.

The net pension and other postemployment benefit liabilities consist of the following:

	Net Pension Liability	Net Other Postemployment Benefit Liability
Governmental Activities	\$ 1,228,648	\$ 283,379
Business-type Activities	<u>175,113</u>	<u>117,834</u>
Total	<u>\$ 1,403,761</u>	<u>\$ 401,213</u>
 Oregon Public Employees Retirement System	 \$ 956,547	 \$ -
Retirement plan for employees of the City of Stayton	447,214	-
Implicit Subsidy	<u>-</u>	<u>401,213</u>
Total	<u>\$ 1,403,761</u>	<u>\$ 401,213</u>

NOTE 11 – DEFINED BENEFIT PENSION PLAN – OPERS

Plan Description

Employees of the City are provided with pensions through the Oregon Public Employees Retirement Systems (OPERS).

The OPERS consists of a single cost-sharing multiple employer defined benefit pension plan. The Oregon Legislature has delegated the authority to the Public Employees Retirement Board to administer and manage the system.

OPERS produces an independently audited Annual Comprehensive Financial Report which includes detailed information about the pension plan's fiduciary net position. The report can be found at: <https://www.oregon.gov/pers/Documents/Financials/ACFR/2023-ACFR.pdf>

Description of benefit terms

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

NOTE 11 – DEFINED BENEFIT PENSION PLAN – OPERS (Continued)

Description of benefit terms (Continued)

PERS Pension (Chapter 238) (Tier 1/Tier 2 retirement benefit)

The Tier 1/Tier 2 Retirement Benefit Plan is closed to new members hired on or after August 29, 2003.

Pension benefits: The OPERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (1.67% for general service employees and 2% for police and fire employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55, and police and fire members after age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier 2 members are eligible for full benefits at age 60.

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

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

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

NOTE 11 – DEFINED BENEFIT PENSION PLAN – OPERS (Continued)

Benefit changes after retirement: Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes.

Oregon Public Service Retirement Plan (Chapter 238A) (OPSRP)

The OPSRP pension program provides benefits to members hired on or after August 29, 2003.

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

- General service: 1.5% 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.
- Police and fire: 1.8% is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 60, or age 53 with 25 years of retirement credit.

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

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% of the pension that would otherwise have been paid to the deceased member.

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

Benefit changes after retirement: Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes.

Contributions and funding policy

OPERS funding policy provides for periodic member and employer contributions at actuarial determined rates, subject to limits set in statute. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates during the period were based on the December 31, 2021 actuarial valuation.

NOTE 11 – DEFINED BENEFIT PENSION PLAN – OPERS (Continued)

Contributions and funding policy (Continued)

OPERS funding policy provides for periodic member and employer contributions at actuarial determined rates, subject to limits set in statute. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation.

Tier 1/Tier 2 employer contribution rates are 26.20% and the OPSRP employer contribution rates are 16.47% for general service employees. Police and fire employee OPSRP rates are 21.26%. Employer contributions for the year ended June 30, 2024 were \$243,863.

Net pension liability, pension expense and deferred outflows of resources and deferred inflows of resources related to pensions

Net pension liability

At June 30, 2024, the City reported a liability of \$956,547 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The City's proportion of the net pension liability was actuarially determined based on a projection of the City's long-term contributions effort to the pension plan relative to the long-term projected contributions effort of all participating employers. The projected long-term contribution effort is equal to the sum of the present value of future normal costs (PVFNC) and the unfunded actuarial liability (UAL).

Normal Cost Rate: The PVFNC represents the portion of the projected long-term contribution effort related to future service. An employer's PVFNC depends on both the normal cost rates charged on the employer's payrolls, and on the underlying demographics of the respective payrolls. For OPERS funding, employers have up to three different payrolls, each with a different normal cost rate: (1) Tier 1/Tier 2 payroll, (2) OPSRP general service payroll, and (3) OPSRP police and fire payroll.

UAL Rate: A UAL can arise when an event such as experience differing from the assumptions used in the actuarial valuation occurs. An amortization schedule is established to eliminate the UAL that arises over a fixed period of time if future experience follows assumption. The UAL Rate is the upcoming year's component of the cumulative amortization schedules, stated as a percent of payroll. The UAL represents the portion of the projected long-term contribution effort related to past service.

NOTE 11 – DEFINED BENEFIT PENSION PLAN – OPERS (Continued)

Net pension liability, pension expense and deferred outflows of resources and deferred inflows of resources related to pensions (continued)

After the employer's projected long-term contribution effort is calculated, that amount is reduced by the value of the employer's supplemental lump-sum payments, known as side accounts, transition surpluses and pre-SLGRP (State and Local Government Rate Pool) surpluses as of the valuation date. Side accounts decrease the employer's projected long-term contribution effort because side accounts are effectively prepaid contributions. The employer's projected long-term contribution effort does not include payments toward the current value of transition liabilities and pre-SLGRP liabilities.

At June 30, 2023, the City's proportion was 0.00510684%, which was a increase of 0.00282341% from its proportion measured as of June 30, 2022.

Pension expense

For the year ended June 30, 2024, the City recognized pension expense of \$461,454.

Deferred inflows of resources and deferred outflows of resources

Deferred inflows of resources and deferred outflows of resources are calculated at the plan level and are allocated to employers based on their proportionate share.

Differences between expected and actual experience, changes in assumptions and changes in employer proportionate are amortized over the average remaining service lives of all plan participants, including retirees, determined at the beginning of the respective measurement period. Employers are required to recognize pension expense based on the balance of the closed period "layers" attributable to each measurement period.

The net difference between projected and actual investment earnings attributable to each measurement period is amortized over a closed five-year period.

CITY OF STAYTON
NOTES TO THE FINANCIAL STATEMENTS

NOTE 11 – DEFINED BENEFIT PENSION PLAN – OPERS (Continued)

Net pension liability, pension expense and deferred outflows of resources and deferred inflows of resources related to pensions (continued)

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 46,778	\$ 3,793
Changes in assumptions	84,974	634
Net difference between projected and actual earnings on pension plan investments	17,193	-
Changes in proportionate share	129,105	677,268
Differences between contributions and proportionate share of system contributions	741,482	67,159
Contributions subsequent to the measurement date	<u>243,863</u>	<u>-</u>
	<u><u>\$ 1,263,395</u></u>	<u><u>\$ 748,854</u></u>

Deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement in the amount of \$243,863 will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending June 30:

2025	\$ (23,164)
2026	(14,321)
2027	165,825
2028	112,634
2029	<u>29,705</u>
	<u><u>\$ 270,678</u></u>

CITY OF STAYTON
NOTES TO THE FINANCIAL STATEMENTS

NOTE 11 – DEFINED BENEFIT PENSION PLAN – OPERS (Continued)

Actuarial methods and assumptions used in developing the total pension liability

The total pension liability measured as of June 30, 2023 was based on an actuarial valuation as of December 31, 2021 using the following methods and assumptions:

Experience study report	2020, published July 20, 2021
Actuarial cost method	Entry age normal
Inflation rate	2.4%
Long-term expected rate of return	6.9%
Discount rate	6.9%
Administrative expenses – Tier 1/Tier 2	\$59 million per year added to normal cost and allocated between Tier One/Tier Two and OPSRP based on valuation payroll
Projected salary increases	3.4%
Cost of living adjustments (COLA)	Blend of 2% COLA and graded COLA (1.25%/.015) in accordance with <i>Moro</i> decision; blend based on service
Mortality	Healthy retirees and beneficiaries: Pub-2010 Health Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2020 Experience Study which reviewed experience for the four-year period ending on December 31, 2020.

CITY OF STAYTON
NOTES TO THE FINANCIAL STATEMENTS

NOTE 11 – DEFINED BENEFIT PENSION PLAN – OPERS (Continued)

Actuarial methods and assumptions used in developing the total pension liability (continued)

UAL amortization

The Tier 1/Tier 2 UAL amortization period was reset to 20 years as of December 31, 2013. Gains and losses between subsequent odd-year valuations will be amortized as a level percentage of projected combined valuation payroll (Tier 1/ Tier 2 plus OPSRP payroll) over a closed 20-year period from the valuation in which they are first recognized. Senate Bill 1049 was signed into law in June 2019 and required a one-time re-amortization of Tier One/Tier Two UAL over a closed 22-year period at the December 31, 2019 rate-setting actuarial valuation, which set actuarially determined contribution rates for the 2021-2023 biennium. Future Tier One/Tier Two UAL gains or losses will be amortized over 20 years. The closed period amortization under Senate Bill 1049 will continue to decline, and has 20 years remaining as of the December 31, 2022 valuation.

The OPSRP UAL as of December 31, 2007 is amortized as a level percentage of projected combined valuation payroll (Tier 1/ Tier 2 plus OPSRP payroll) over a closed period 16-year period. Gains and losses between subsequent odd-year valuations are amortized as a level percentage of combined valuation payroll over 16 years from the valuation in which they are first recognized.

Discount rate

The discount rate used to measure the total pension liability was 6.9%, a reduction from 7.2% from the prior fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Assumed asset allocation

<u>Asset Class</u>	<u>Target Allocation</u>
Cash	0.00%
Debt securities	25.00%
Public equity	27.50%
Private equity	20.00%
Real estate	12.50%
Real assets	7.50%
Diversifying strategies	7.50%
Total	<u>100.00%</u>

CITY OF STAYTON
NOTES TO THE FINANCIAL STATEMENTS

NOTE 11 – DEFINED BENEFIT PENSION PLAN – OPERS (Continued)

Actuarial methods and assumptions used in developing the total pension liability (continued)

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the PERS Board reviewed long-term assumptions developed by both the actuary's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on forward-looking capital market economic model.

<u>Long-Term Expected Rate of Return</u> ¹	20-Year			
	Target Allocation	Annual Arithmetic Return ²	Annualized Geometric Mean	Annual Standard Deviation
Asset Class				
Global Equity	27.50 %	8.57 %	7.07 %	17.99 %
Private Equity	25.50	12.89	8.83	30.00
Core Fixed Income	25.00	4.59	4.50	4.22
Real Estate	12.25	6.90	5.83	15.13
Master Limited Partnerships	0.75	9.41	6.02	27.04
Infrastructure	1.5	7.88	6.51	17.11
Hedge Fund of Funds - Multistrategy	1.25	6.81	6.27	9.04
Hedge Fund Equity - Hedge	0.63	7.39	6.48	12.04
Hedge Fund - Macro	5.62	5.44	4.83	7.49
Assumed Inflation - Mean			2.35 %	1.41 %

¹ Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, including revisions adopted at the OIC meeting on January 25, 2023.

² The arithmetic mean is a component that goes into calculating the geometric mean. Expected rates of return are presented using the geometric mean, which the Board uses in setting the discount rate.

NOTE 11 – DEFINED BENEFIT PENSION PLAN – OPERS (Continued)

Actuarial methods and assumptions used in developing the total pension liability (continued)

Depletion date projection

GASB 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's fiduciary net position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the fiduciary net position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 68 does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

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

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

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

Changes in actuarial methods and assumptions

There have been no changes in actuarial methods or assumptions since the December 31, 2021 valuation.

CITY OF STAYTON
NOTES TO THE FINANCIAL STATEMENTS

NOTE 11 – DEFINED BENEFIT PENSION PLAN – OPERS (Continued)

Sensitivity of the proportionate share of the net pension liability to changes in the discount rate
The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.9%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.9%) or 1-percentage-point higher (7.9%) than the current rate:

	<u>1% Lower</u>	<u>Current Discount Rate</u>	<u>1% Higher</u>
Proportionate share of net pension liability	\$ 1,580,034	\$ 956,547	\$ 434,753

NOTE 12 – DEFINED BENEFIT PENSION PLAN – RETIREMENT PLAN FOR EMPLOYEES OF THE CITY OF STAYTON

Plan description

All eligible non-police employees are participants in the defined benefit retirement plan of City of Stayton (the Plan), a single employer defined benefit public employment.

The Plan was established by the Stayton City Council who may amend the plan.

The City does not issue a separate financial report available to the public for this plan.

Plan membership

All full-time non-police employees are eligible to participate in the Plan after six months of employment.

As of July 1, 2023, plan membership consisted of 26 retirees and beneficiaries, 7 vested terminated participants, 7 nonvested terminated participants, and 20 active participants.

Description of benefit terms

Normal retirement

Members are able to receive benefits after attaining age 65. Retirement benefits will equal the amount developed by the benefit formula plus the amount developed by converting the accrued required, supplemental and voluntary contribution balances to an annuity, as of the date the benefit is being determined. The benefit formula amount is (i) times (ii) times (iii) below:

- i. 1.43% for the period commencing July 1, 1973, and thereafter (effective for employees whose severance of employment occurs after June 30, 1992).

CITY OF STAYTON
NOTES TO THE FINANCIAL STATEMENTS

NOTE 12 – DEFINED BENEFIT PENSION PLAN – RETIREMENT PLAN FOR EMPLOYEES OF THE CITY OF STAYTON (Continued)

Description of benefit terms (Continued)

- ii. The larger of (a) or (b)
 - a) The average of basic monthly earnings for each month in a 36 consecutive month period during the last 120 months of employment which produce the highest average rate of compensation.
 - b) The average of basic monthly earnings in effect on the July 1st of the three consecutive years during the last ten years of employment which produces the highest average rate.
- iii. The number of years and completed months of employment commencing on or after July 1, 1973.

Retirement benefits are subject to annual cost of living adjustments up to 2% per year.

Early retirement

Members are able to receive early retirement benefits after attaining age 55 with reduced benefits except for members with at least 30 years of service or after age 58. Retirement benefits are reduced based upon the number of years the member still needed to work to reach normal retirement status. The benefit ranges from 64% to 78% of the benefit that would result if they were of normal retirement age.

Late retirement

Members that continue working beyond the normal retirement age receive increases to their retirement benefits equal to the larger of the amount developed by the benefit formula as of the Late Retirement Date or the amount developed by the benefit formula as of the Normal Retirement Date multiplied by the appropriate percentage from the following table, based on the number of years by which the retirement is subsequent to the Normal Retirement Date.

<u>Number of Years</u>	<u>Percentage</u>
0	100.0%
1	107.2%
2	114.4%
3	121.6%
4	128.8%
5	136.0%

CITY OF STAYTON
NOTES TO THE FINANCIAL STATEMENTS

NOTE 12 – DEFINED BENEFIT PENSION PLAN – RETIREMENT PLAN FOR EMPLOYEES OF THE CITY OF STAYTON (Continued)

Description of benefit terms (Continued)

Disability

Members that become totally and permanently disabled prior to the Normal Retirement Date are entitled to disability benefits. The benefit is based on the actuarial equivalent of the amount developed by the benefit formula as of the date of disability plus the amount developed by converting the accrued required, supplemental, and voluntary contribution balances to an annuity as of the date the benefit is being determined.

Severance benefit

Members are eligible for severance benefits after completion of 5 years of coverage. The benefit is the sum of the amount developed by the benefit formula as of termination plus the amount developed by converting the accrued required, supplemental, and voluntary contribution balances to an annuity as of the date of termination. Terminated employees may elect to receive their required, supplemental, and voluntary contribution balances as of termination in one lump sum payment in lieu of the monthly benefit.

Death benefits

The beneficiaries of members who have not begun to receive benefits under the plan are entitled to either a lump-sum payment of the required and supplemental contribution balance, including interest to date of death plus an amount equal to the accrued required and supplemental contribution balance, including interest, provided by the employer plus the accrued voluntary contribution balance including interest to date of death.

Contributions

The City is required by the Plan's provisions to pay the employees' contribution to the Plan of 6% of covered salaries. In addition, the City will contribute additional amounts necessary to fund the Plan sufficient to pay benefits when due based on annual actuarial valuations. City contributions to the plan for the year ended June 30, 2024 were \$317,235.

Net pension liability, changes in net pension liability, pension expense, deferred outflows of resources and deferred inflows of resources related to pensions

At June 30, 2024, the City reported a net pension liability of \$447.214. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date as follows:

Total pension liability	\$ 10,494,712
Plan fiduciary net position	<u>10,047,498</u>
Net pension liability (asset)	<u>\$ 447,214</u>
Fiduciary net position as a percentage of total pension liability	95.74%

CITY OF STAYTON
NOTES TO THE FINANCIAL STATEMENTS

NOTE 12 – DEFINED BENEFIT PENSION PLAN – RETIREMENT PLAN FOR EMPLOYEES OF THE CITY OF STAYTON (Continued)

Net pension liability, changes in net pension liability, pension expense, deferred outflows of resources and deferred inflows of resources related to pensions (continued)

For the year ended June 30, 2024, changes in the net pension liability is as follows:

	Total Pension Liability	Fiduciary Net Position	Net Pension (Asset) Liability
Beginning balances	\$ 9,422,880	\$ 9,159,417	\$ 263,463
Changes for the year:			
Service cost	273,027	-	273,027
Interest on total pension liability	617,353	-	617,353
Effect of economic/demographic (gains) or losses	282,394	-	282,394
Effect of assumptions, changes or inputs	295,384	-	295,384
Benefit payments	(396,326)	(396,326)	-
Net investment income	-	901,848	(901,848)
Employer contributions	-	382,559	(382,559)
Ending balances	<u>\$ 10,494,712</u>	<u>\$ 10,047,498</u>	<u>\$ 447,214</u>

For the year ended June 30, 2024, the City recognized pension expense of \$115,337. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 221,387	\$ -
Changes of assumptions or inputs	236,036	-
Net difference between projected and actual earnings on pension plan investments	415,038	-
City's contributions made subsequent to measurement date	317,235	-
	<u>\$ 1,189,696</u>	<u>\$ -</u>

CITY OF STAYTON
NOTES TO THE FINANCIAL STATEMENTS

NOTE 12 – DEFINED BENEFIT PENSION PLAN – RETIREMENT PLAN FOR EMPLOYEES OF THE CITY OF STAYTON (Continued)

Net pension liability, changes in net pension liability, pension expense, deferred outflows of resources and deferred inflows of resources related to pensions (continued)

Deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date in the amount of \$317,235 will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ends June 30,</u>	
2025	\$ 235,970
2026	170,972
2027	486,594
2028	(21,075)
2029	-

Actuarial valuation

The City contributions are based on the accruing benefit costs measured using the individual entry age normal actuarial cost method. Under this method, a normal cost is determined for each active member. The normal cost is the annual contribution determined as a level percentage of base salary with would be paid from year of entry to year of retirement to fund the projected retirement benefit. The normal cost for the Plan is the sum of the individuals' normal costs. The actuarial accrued liability for active plan members is an accumulated of the normal costs from entry to the valuation date. The actuarial accrued liability for inactive members is the actuarial present value of the accrued benefits. The actuarial accrued liability for the Plan is the sum of the individual actuarial accrued liabilities. The unfunded actuarial liability is the difference between the actuarial accrued liability and the actuarial value of assets, which is amortized over an 18-year period and assumes the annual payment will increase by the salary scale assumption each year.

Actuarial methods and assumptions used in developing total pension liability

Valuation Date	July 1, 2023
Actuarial Cost Method	Individual Entry Age Normal, Level Percentage of Pay
Amortization Method	Amortized as a level percent of payroll over a period of 20 years.
Asset Valuation Method	Market value gains and losses smoothed over five years, with result not less than 80% or greater than 120% of market value
Actuarial Assumptions:	
Inflation Rate	2%
Investment rate of return	6.25%
Projected Salary Increases	Salaries for individuals are assumed to grow at 3.5%
Mortality	Healthy retirees and beneficiaries: Pub-2010 General Employee, Healthy Retiree, sex distinct, setback 12 months for males and no setback for females. Projected generationally using Unisex Social Security 2019 Scale.

NOTE 12 – DEFINED BENEFIT PENSION PLAN – RETIREMENT PLAN FOR EMPLOYEES OF THE CITY OF STAYTON (Continued)

Actuarial methods and assumptions used in developing total pension liability (continued)

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Discount rate

The discount rate used to measure the total pension liability was 6.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Depletion date projection

GASB 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 68 does allow for alternative evaluations of projected solvency if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for the retirement plan for the employees of the City:

- The City has a formal written policy to calculate an actuarial determined contribution (ADC).
- The ADC is based on a closed amortization period that will decrease over time until it reaches 15 years. Once that occurs new layers will be amortized over closed 15-year periods. This funding policy means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period (20 years) if future experience follows assumptions.
- GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

CITY OF STAYTON
NOTES TO THE FINANCIAL STATEMENTS

NOTE 12 – DEFINED BENEFIT PENSION PLAN – RETIREMENT PLAN FOR EMPLOYEES OF THE CITY OF STAYTON (Continued)

Actuarial methods and assumptions used in developing total pension liability (continued)

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

Long-term expected rate of return

The long-term expected rate of return assumption of 6.25% is based on a blending of the projected return on plan assets and a 20-year tax-exempt, high quality general obligation municipal bond yield or index rate.

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability calculated using the discount rate of 6.25%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.25%) or 1-percentage-point higher (7.25%) than the current rate:

	<u>1% Lower</u>	<u>Current Discount Rate</u>	<u>1% Higher</u>
Net pension liability	\$ 1,764,735	\$ 447,214	\$ (649,713)

NOTE 13 – DEFINED CONTRIBUTION PLAN – OPERS INDIVIDUAL ACCOUNT PROGRAM

Plan description

Individual account program (IAP) - Participants in OPERS defined benefit pension plan also participate in the defined contribution plan.

Pension benefits

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

Upon retirement, a member of the 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.

NOTE 13 – DEFINED CONTRIBUTION PLAN – OPERS INDIVIDUAL ACCOUNT PROGRAM (Continued)

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

Starting July 1, 2020, Senate Bill 1049 required a portion of member contributions to their IAP accounts to be redirected to the Defined Benefit Pension Plan. If the member earns more than \$2,500 per month (increased to \$3,570 per month on January 1, 2022) 0.75 percent (if OPSRP member) or 2.5 percent (if Tier One/Tier Two member) of the member's contributions that were previously contributed to the member's IAP now fund the new Employee Pension Stability Accounts (EPSA). The EPSA accounts will be used to fund the cost of future pension benefits without changing those benefits, which means reduced contributions to the member's IAP account. Members may elect to make voluntary IAP contributions equal to the amount redirected.

The City makes the employee contributions of 6% of covered payroll to the IAP. Contributions for the year ended June 30, 2024 were \$56,116.

Recordkeeping

PERS contracts with VOYA Financial to maintain IAP participant records.

NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS – GROUP HEALTH INSURANCE

Plan description

The City provides other postemployment benefits (OPEB) for employees, retirees, spouses and dependents through a single employer defined benefit plan in the form of group health insurance benefits.

The Plan was established by the Stayton City Council who may amend the plan.

The City does not issue a separate financial report available to the public for this plan.

Plan membership

All full-time non-police employees are eligible to participate in the Plan after six months of employment.

As of July 1, 2023, plan membership consisted of 26 retirees, 7 vested terminated participants, 7 non-vested terminated participants, and 20 active participants.

CITY OF STAYTON
NOTES TO THE FINANCIAL STATEMENTS

NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS – GROUP HEALTH INSURANCE (Continued)

Description of benefit terms

The City provides a benefit for each eligible employee who retires or becomes disabled on or after July 1, 1994, who is receiving retirement or disability benefit from the Plan, has earned seven years of participation in the Plan at the time of retirement or disability, and is age 65. Eligible employees will receive a benefit equal to the monthly cost of coverage under a health care insurance contract entered into with the Employer that provides coverage after retirement or \$100, whichever is less. This amount shall be paid from the Retirement Health Insurance Account (RHIA). Payment shall begin the first of the month coinciding with, or the next following, the later of age 65 or the eligible employee's date of retirement. Payments shall terminate at the earlier of the date of the eligible employee's death, election by the eligible employee to terminate coverage, or cessation of premium required payments by the eligible employee.

Contributions

The RHIA is funded with contributions by the Employer. The recommended contribution rate is determined by the actuary and is calculated as the sum of the annual normal cost plus a provision for administrative expenses plus the amortization payment of the unfunded actuarial accrued liability, as a percentage of payroll. Temporarily, the recommended contribution rate includes a fourth component, a phase-in adjustment. The phase-in adjustment spreads, over three years, the increases in recommended contribution rate associated with the assumption changes adopted by the City. For the fiscal year ended June 30, 2024, the actuarial determined contribution rate was 0.6% of covered payroll. City contributions to the plan for the year ended June 30, 2024 were \$12,385.

Net other postemployment benefit liability (asset), changes in net other postemployment benefit liability (asset), other postemployment benefit expense, deferred outflows of resources and deferred inflows of resources related to other postemployment benefit liabilities

At June 30, 2024, the City reported a net other postemployment benefit liability (asset) of \$(79,638). The net other postemployment benefit liability (asset) was measured as of June 30, 2023, and the total other postemployment benefit liability used to calculate the net other postemployment benefit liability (asset) was determined by an actuarial valuation as of that date as follows:

Total other postemployment benefit liability	\$ 228,277
Plan fiduciary net position	<u>307,918</u>
Net other postemployment benefit liability (asset)	<u>\$ (79,641)</u>
Fiduciary net position as a percentage of total other postemployment benefit liability	134.89%

CITY OF STAYTON
NOTES TO THE FINANCIAL STATEMENTS

NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS – GROUP HEALTH INSURANCE (Continued)

Net other postemployment benefit liability (asset), changes in net other postemployment benefit liability (asset), other postemployment benefit expense, deferred outflows of resources and deferred inflows of resources related to other postemployment benefit liabilities (continued)

Changes in the net other postemployment benefit liability (asset) are as follows:

	Total other postemployment benefit liability	Plan Fiduciary Net Position	Net other postemployment benefit liability (asset)
Beginning balances	\$ 234,890	\$ 276,881	\$ (41,991)
Changes for the year			
Service cost	7,168	-	7,168
Interest on total OPEB liability	15,516	-	15,516
Effect of economic/demographic (gains) or losses	(29,250)	-	(29,250)
Effect of assumptions, changes or inputs	6,553	-	6,553
Benefit payments	(6,600)	(6,600)	-
Net investment income	-	27,449	(27,449)
Employer contributions	-	10,188	(10,188)
Ending balances	<u>\$ 228,277</u>	<u>\$ 307,918</u>	<u>\$ (79,641)</u>

For the year ended June 30, 2024, the City recognized other postemployment benefit expense of \$10,912. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to other postemployment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 17,067	\$ 33,182
Changes of assumptions or inputs	6,564	-
Net difference between projected and actual earnings	12,505	-
Contributions made subsequent to measurement date	<u>12,385</u>	<u>-</u>
	<u>\$ 48,521</u>	<u>\$ 33,182</u>

CITY OF STAYTON
NOTES TO THE FINANCIAL STATEMENTS

NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS – GROUP HEALTH INSURANCE (Continued)

Net other postemployment benefit liability (asset), changes in net other postemployment benefit liability (asset), other postemployment benefit expense, deferred outflows of resources and deferred inflows of resources related to other postemployment benefit liabilities (continued)

The amount reported as deferred outflows of resources related to other postemployment benefits resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net other postemployment benefit liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized in postemployment benefit expense as follows:

Year Ending June 30

2025	\$	6,352
2026		5,048
2027		7,127
2028		(6,153)
2029		(3,535)
Thereafter		(5,885)

Actuarial valuation

The City contributions are based on the accruing benefit costs measured using the individual entry age normal actuarial cost method. Under this method, a normal cost is determined for each active member. The normal cost is the annual contribution determined as a level percentage of base salary with would be paid from year of entry to year of retirement to fund the projected retirement benefit. The normal cost for the Plan is the sum of the individuals' normal costs. The actuarial accrued liability for active plan members is an accumulated of the normal costs from entry to the valuation date. The actuarial accrued liability for inactive members is the actuarial present value of the accrued benefits. The actuarial accrued liability for the Plan is the sum of the individual actuarial accrued liabilities. The unfunded actuarial liability is the difference between the actuarial accrued liability and the actuarial value of assets. The unfunded actuarial liability is amortized over a 16-year period and assumes the annual payment will increase by the salary scale assumption each year.

CITY OF STAYTON
NOTES TO THE FINANCIAL STATEMENTS

NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS – GROUP HEALTH INSURANCE (Continued)

Actuarial methods and assumptions used in developing the total other postemployment benefit liability:

Valuation Date	July 1, 2023
Actuarial Cost Method	Individual entry age normal, level percentage of pay
Amortization Method	Amortized as a level percent of payroll over a period of 20 years.
Asset Valuation Method	Market value gains and losses smoothed over five years, with result not less than 80% or greater than 120% of market value
Actuarial Assumptions:	
Inflation Rate	2.5%
Investment rate of return	6.25%
Projected Salary Increases	Salaries for individuals are assumed to grow at 3.5%
Mortality	
Healthy retirees and beneficiaries:	Pub-2010 General Employee, Healthy Retiree, sex distinct, setback 12 months for males and no setback for females. Projected generationally using Unisex Social Security 2019 Scale.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Discount rate

The discount rate used to measure the total other postemployment benefit liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that contributions contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the other postemployment benefit 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 other postemployment benefit plan investments for the Plan was applied to all periods of projected benefit payments to determine the total other postemployment benefit liability.

Healthcare cost trend rate

The benefit provided through the other postemployment benefit plan is a set dollar amount each month, therefore, the healthcare cost trend rates have no effect on the other postemployment benefit liability.

NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS – GROUP HEALTH INSURANCE (Continued)

Actuarial methods and assumptions used in developing the total other postemployment benefit liability (continued):

Depletion date projection

GASB 75 generally requires that a blended discount rate be used to measure the Total Other Postemployment Benefit Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 75 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 75 does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for the other postemployment benefits plan for the employees of the City:

- The City has a formal written policy to calculate an actuarial determined contribution (ADC).
- The ADC is based on a closed amortization period that will decrease over time until it reaches 20 years. Once that occurs new layers will be amortized over closed 15-year periods. This funding policy means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period (20 years) if future experience follows assumptions.
- GASB 75 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is the Plan's independent actuary's opinion that the detailed depletion date projections outlined in GASB 75 would indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

Long-term expected rate of return

The long-term expected rate of return assumption of 6.25% is based on a blending of the projected return on plan assets and a 20-year tax-exempt, high quality general obligation municipal bond yield or index rate.

CITY OF STAYTON
NOTES TO THE FINANCIAL STATEMENTS

NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS – GROUP HEALTH INSURANCE (Continued)

Sensitivity of the net other postemployment benefit obligation to changes in the discount rate

The following presents the net other postemployment benefit liability calculated using the discount rate of 6.25%, as well as what the City's net other postemployment benefit liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.25%) or 1-percentage-point higher (7.25%) than the current rate:

	1% Lower	Current Discount Rate	1% Higher
Net other postemployment benefit liability (asset)	\$ (50,412)	\$ (79,641)	\$ (103,957)

The following presents the net other postemployment benefit liability calculated using current healthcare cost trend rates, as well as what the City's net other postemployment benefit liability would be if it were calculated using healthcare cost trend rates that are 1 percent lower or 1 percent higher than the current rate:

	1% Lower	Current Trend Rate	1% Higher
Net other postemployment benefit liability (asset)	\$ (79,638)	\$ (79,641)	\$ (79,638)

NOTE 15 – OTHER POSTEMPLOYMENT BENEFITS – IMPLICIT SUBSIDY

Plan description and benefits provided

The City provides other postemployment benefits (OPEB) for employees, retirees, spouses and dependents through a single employer defined benefit plan in the form of group health insurance benefits. As required by ORS 243.303(2), retirees who were hired after July 1, 2003 are allowed to continue, at the retirees' expense, coverage under the group health insurance plan until age 65. The difference between the premium actually paid by the retirees under the group insurance plan and the premium that they would pay if they were not included in the plan is considered to be an implicit subsidy under the provisions of GASB 75. The plan does not issue a separate stand-alone financial report.

Plan membership

As of July 1, 2022, there were 36 active employees and 3 eligible retirees for a total of 39 plan members.

CITY OF STAYTON
NOTES TO THE FINANCIAL STATEMENTS

NOTE 15 – OTHER POSTEMPLOYMENT BENEFITS – IMPLICIT SUBSIDY (Continued)

Contributions

The City funds the plan only to the extent of current year insurance premium requirements on a pay-as-you-go basis. The average monthly premium requirements for the City are as follows:

For retirees	\$	753
For spouses of retirees		819

Total OPEB liability, changes in total OPEB liability, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB

At June 30, 2024, the City reported a total OPEB liability of \$401,213. The total OPEB liability was measured as of June 30, 2023, and determined by an actuarial valuation as of that date.

Changes in the total OPEB liability is as follows:

	<u>Total OPEB Liability</u>
Balances at June 30, 2023	\$ 396,345
Changes for the year:	
Service cost	17,397
Interest	14,222
Changes in assumptions or other inputs	(2,568)
Benefit payments	<u>(24,183)</u>
Balances at June 30, 2024	<u>\$ 401,213</u>

CITY OF STAYTON
NOTES TO THE FINANCIAL STATEMENTS

NOTE 15 – OTHER POSTEMPLOYMENT BENEFITS – IMPLICIT SUBSIDY (Continued)

Total OPEB liability, changes in total OPEB liability, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB (continued)

For the year ended June 30, 2024, the City recognized OPEB expense of \$4,626. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 82,841	\$ 6,465
Changes of assumptions	3,756	39,103
City's contributions subsequent to the measurement date	<u>27,522</u>	<u>-</u>
	<u>\$ 114,119</u>	<u>\$ 45,568</u>

Deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date in the amount of \$27,522 will be recognized as an adjustment to the total OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,

2025	\$ 3,505
2026	3,505
2027	9,691
2028	9,709
2029	7,156
Thereafter	7,466

Actuarial valuation

The City contributions are based on the accruing benefit costs measured using the individual entry age normal actuarial cost method. The present value of benefits is allocated over the service for each active employee from their date of hire to their expected retirement age, as a level percent of the employee's pay. This level percent times pay is referred to as the service cost and is that portion of the present value of benefits attributable to an employee's service in a current year. The service cost equals \$0 for retired members. The total OPEB liability is the present value of benefits less the actuarial present value of future normal costs and represents the liabilities allocated to service up to the valuation date. For retirees, the total OPEB liability is equal to the present value of benefits.

CITY OF STAYTON
NOTES TO THE FINANCIAL STATEMENTS

NOTE 15 – OTHER POSTEMPLOYMENT BENEFITS – IMPLICIT SUBSIDY (Continued)

Actuarial methods and assumptions used in developing total OPEB liability

Valuation Date	July 1, 2022
Actuarial Cost Method	Entry Age Normal, Level Percent of Pay
Actuarial Assumptions:	
Inflation Rate	2.4 percent
Projected Salary Increases	3.4 percent
Mortality	Pub-2010 General and Safety Employee and Healthy Retiree tables, sex distinct for members and dependents, with a one-year setback for male general service employees and female safety employees
Election and Lapse Rates	40% of eligible employees. 60% of male members and 35% of female members will elect spouse coverage. 5% annual lapse rate

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Discount rate

The discount rate used to measure the total OPEB liability was 3.65%. The discount rate is based on the Bond Buyer 20-year General Obligation Bond Index. The discount rate at the prior measurement date was 3.54%.

Healthcare cost trend rate

The assumed healthcare cost trend for medical and vision costs is as follows:

Year	Pre-65 Trend
2022	4.25%
2023	6.75
2024	6.50
2025	6.00
2026	5.25
2027	5.00
2028 - 2029	4.75
2030	4.50
2031 - 2065	4.25
2066 - 2071	4.00
2072+	3.75

CITY OF STAYTON
NOTES TO THE FINANCIAL STATEMENTS

NOTE 15 – OTHER POSTEMPLOYMENT BENEFITS – IMPLICIT SUBSIDY (Continued)

Actuarial methods and assumptions used in developing total OPEB liability (continued)

Dental costs are assumed to increase 4.00 percent per year until 2072, then 3.75 percent in all future years.

Sensitivity of the City's total OPEB liability to changes in the discount and healthcare cost trend rates

The following presents the City's total OPEB liability calculated using the discount rate of 3.65%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption.

	<u>1% Lower</u>	<u>Current Discount Rate</u>	<u>1% Higher</u>
City's total OPEB liability	\$ 426,182	\$ 401,213	\$ 377,882

	<u>1% Lower</u>	<u>Current Trend Rate</u>	<u>1% Higher</u>
City's total OPEB liability	\$ 373,039	\$ 401,213	\$ 432,660

Changes since prior valuation

Expected Claims and Premiums was updated to reflect changes in available benefits and premium levels. If applicable, expected retiree and dependent costs were updated to reflect current health cost guidelines.

The health care cost trend was updated to reflect changes in current premium levels as well as future expected economic and regulatory conditions.

The mortality, withdrawal and retirement rates were updated to reflect assumptions used in the Oregon PERS December 31, 2021 actuarial valuation.

The data processing assumptions for missing dates of hire and inconsistent or missing PERS tier information were updated to provide a better approximation for missing or inconsistent data.

CITY OF STAYTON
NOTES TO THE FINANCIAL STATEMENTS

NOTE 16 – INTERGOVERNMENTAL AGREEMENT

The City has an intergovernmental agreement with the City of Sublimity, to provide sewage treatment services. The agreement is automatically extended from year to year on the same terms and conditions unless it is modified or terminated by mutual written agreement of the cities of Stayton and Sublimity.

The City of Sublimity pays the City of Stayton for wholesale sewer service (operations, capital replacement and administrative services) in addition to a variable percent of debt service payments on the USDA Sewer Revenue Bonds (18.78% for 2022-23) and 27.88% of the debt service payments on the 2013 Full Faith and Credit Refunding and the USDA Sewer Revenue Bonds.

NOTE 17 – NET POSITION RESTRICTED THROUGH ENABLING LEGISLATION

As of June 30, 2024, the amount of net position restricted by enabling legislation is as follows:

Governmental activities

<i>Capital projects</i> – Ordinances imposing System Development Charges (SDC) restrict the use to capital improvements which expand the capacity of the system for which the charge was made	\$ 2,272,153
---	--------------

Business-type activities

<i>Capital projects</i> – Ordinances imposing System Development Charges (SDC) restrict the use to capital improvements which expand the capacity of the system for which the charge was made	\$ 2,374,613
---	--------------

NOTE 18 – NEWLY ISSUED ACCOUNTING STANDARDS AND CHANGES WITHIN THE REPORTING ENTITY

For the year ended June 30, 2024, the City implemented the provisions of GASB Statement No. 100, *Accounting Changes and Error Corrections* issued in June 2022, the. The statement establishes accounting and financial reporting requirements for a) accounting changes and b) the correction of an error in previously issued financial statements (error correction).

CITY OF STAYTON
NOTES TO THE FINANCIAL STATEMENTS

NOTE 19 – ACCOUNTING CHANGES

During the year, the City reclassified the Parks Fund from being presented as part of the General Fund to a separately reported nonmajor governmental fund. Additionally, the City reclassified the Facilities Fund, formerly an internal service fund, to a nonmajor governmental. As a result, the City reported the following changes in the financial reporting entity:

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances		
	Funds		Net Position
	General	Nonmajor Governmental Funds	Internal Service Funds
Balances at beginning of year, as previously reported	\$ 3,521,905	\$ -	\$ 1,449,248
Changes in reporting entity:			
Change from included in the General Fund to a nonmajor governmental fund	(250,416)	250,416	
Change from internal service fund to a nonmajor governmental fund	-	770,308	(843,352)
Balances at beginning of year, as restated	<u>\$ 3,271,489</u>	<u>\$ 770,308</u>	<u>\$ 605,896</u>

THIS PAGE LEFT INTENTIONALLY BLANK

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF STAYTON
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2024

	Budget			
	Original	Final	Actual	Variance
Revenues				
Property taxes	\$ 2,441,100	\$ 2,441,100	\$ 2,476,558	\$ 35,458
Franchise fees	737,000	737,000	895,954	158,954
Licenses, permits and fees	37,500	37,500	50,276	12,776
Fines and forfeitures	112,500	112,500	82,538	(29,962)
Charges for services	5,000	5,000	7,206	2,206
Intergovernmental	867,000	867,000	410,861	(456,139)
Rents	29,000	29,000	81,929	52,929
Interest	50,000	50,000	168,294	118,294
Miscellaneous	38,690	38,690	57,463	18,773
Total revenues	4,317,790	4,317,790	4,231,079	(86,711)
Expenditures				
Administration	1,549,753	1,549,753	1,368,758	180,995
Police	2,770,762	2,770,762	2,478,691	292,071
Planning	258,113	258,113	215,595	42,518
Community center	92,960	92,960	79,309	13,651
Municipal court	133,747	133,747	119,100	14,647
Mayor/City council	56,250	56,250	39,350	16,900
Non-departmental	557,900	557,900	65,102	492,798
Street lights	90,000	105,000	104,223	777
Contingency	300,000	285,000	-	285,000
Total expenditures	5,809,485	5,809,485	4,470,128	1,339,357
Excess (deficiency) of revenues over expenditures	(1,491,695)	(1,491,695)	(239,049)	1,252,646
Other financing sources (uses)				
Transfers in	966,500	966,500	966,500	-
Transfers out	(995,100)	(995,100)	(995,100)	-
Total other financing sources (uses)	(28,600)	(28,600)	(28,600)	-
Net change in fund balance	(1,520,295)	(1,520,295)	(267,649)	1,252,646
Fund balance at beginning of year	3,600,000	3,600,000	3,151,932	(448,068)
Fund balance at end of year	\$ 2,079,705	\$ 2,079,705	2,884,283	\$ 804,578
Reconciliation to generally accepted accounting principles				
Lease receivables, net of deferred inflows			75,607	
Due from other funds			46,000	
Fund balance at end of year, GAAP basis			\$ 3,005,890	

CITY OF STAYTON
STREET FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2024

	Budget			
	Original	Final	Actual	Variance
Revenues				
Charges for services	\$ 270,000	\$ 270,000	\$ 187,790	\$ (82,210)
Intergovernmental	767,895	767,895	860,855	92,960
Fuel taxes	195,000	195,000	181,349	(13,651)
Interest	25,000	25,000	120,476	95,476
Miscellaneous	-	-	31,657	31,657
	<u>1,257,895</u>	<u>1,257,895</u>	<u>1,382,127</u>	<u>124,232</u>
Total revenues				
	<u>1,257,895</u>	<u>1,257,895</u>	<u>1,382,127</u>	<u>124,232</u>
Expenditures				
Street	1,774,858	1,774,858	1,298,334	476,524
Contingency	90,000	90,000	-	90,000
	<u>1,864,858</u>	<u>1,864,858</u>	<u>1,298,334</u>	<u>566,524</u>
Total expenditures				
	<u>1,864,858</u>	<u>1,864,858</u>	<u>1,298,334</u>	<u>566,524</u>
Excess (deficiency) of revenues over expenditures	<u>(606,963)</u>	<u>(606,963)</u>	<u>83,793</u>	<u>690,756</u>
Other financing sources (uses)				
Transfers in	533,500	533,500	514,234	(19,266)
Transfers out	<u>(332,800)</u>	<u>(332,800)</u>	<u>(259,151)</u>	<u>73,649</u>
	<u>200,700</u>	<u>200,700</u>	<u>255,083</u>	<u>54,383</u>
Total other financing sources (uses)				
	<u>200,700</u>	<u>200,700</u>	<u>255,083</u>	<u>54,383</u>
Net change in fund balance	(406,263)	(406,263)	338,876	745,139
Fund balance at beginning of year	<u>1,700,000</u>	<u>1,700,000</u>	<u>1,904,754</u>	<u>204,754</u>
Fund balance at end of year	<u>\$ 1,293,737</u>	<u>\$ 1,293,737</u>	<u>\$ 2,243,630</u>	<u>\$ 949,893</u>

CITY OF STAYTON
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 – BUDGETARY INFORMATION

On or before June 30 of each year, the City enacts a resolution approving the budget, appropriating the expenditures, and levying the property taxes. Prior to enacting this resolution, the proposed budget is presented to a budget committee consisting of members of the City Council and a like number of interested citizens. The budget committee presents the budget to the City Council for budget hearings prior to enactment of the resolution. The City budgets all funds as required by Oregon Local Budget Law. The basis of budgeting for all major funds is the modified cash basis.

The resolution authorizing appropriations for each fund sets the legal level of control by which the expenditures cannot legally exceed appropriations. Total expenditures by department as established by the resolution are the legal level of control for the General Fund. Expenditure categories of fund operations, capital outlay, debt service, operating transfers, and contingency are the legal level of control for all other funds. The detail budget document, however, is required to contain more specific information for the above mentioned expenditure categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget, with some exceptions. A supplemental budget requires hearings before the public, publications in newspapers, and adoption by the City Council. Management may modify original and supplemental budgets by the use of appropriations transfers between the legal levels of control within a fund. The City had appropriation transfers, approved through supplemental or budget transfer resolutions, during the year ended June 30, 2024.

NOTE 2 – RECONCILIATION OF GENERALLY ACCEPTED ACCOUNTING PRINCIPLES TO BUDGETARY BASIS

For the year ended June 30, 2024, the amounts reported for the General fund in the governmental fund financial statements are different than the amounts reported in the budget to actual comparison schedules as follows:

Revenues

Total General Fund revenues - budgetary basis	\$ 4,231,079
Interfund loan	(23,000)
Lease revenues	<u>25,050</u>
Total revenues reported on the statement of revenues,	
expenditures and changes in fund balance - governmental funds	<u><u>\$ 4,233,129</u></u>

CITY OF STAYTON
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 2 – RECONCILIATION OF GENERALLY ACCEPTED ACCOUNTING PRINCIPLES TO BUDGETARY BASIS (Continued)

Beginning fund balance

Total General Fund beginning fund balance - budgetary basis	\$ 3,151,932
Leases receivable	50,557
Interfund loan	<u>69,000</u>
Total beginning fund balance reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u>\$ 3,271,489</u>

Ending fund balance

Total General Fund ending fund balance - budgetary basis	\$ 2,884,283
Interfund loan	46,000
Lease receivable	<u>75,607</u>
Total ending fund balance reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u>\$ 3,005,890</u>

CITY OF STAYTON
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last 10 Plan Years Ended June 30,

Year Ended June 30,	City's proportion of the net pension liability (asset)	City's proportionate share of the net pension liability (asset)	City's covered payroll	City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	0.00510684%	\$ 956,547	\$ 1,033,884	93%	82%
2022	0.00793025%	1,214,280	1,038,557	117%	88%
2021	0.00676410%	809,425	1,033,302	78%	88%
2020	0.00901118%	1,966,549	958,395	205%	76%
2019	0.01352096%	2,338,802	940,352	249%	80%
2018	0.00124465%	1,885,473	1,023,561	184%	82%
2017	0.00127657%	1,720,817	954,756	180%	83%
2016	0.00133512%	2,004,319	949,451	211%	81%
2015	0.00137446%	789,140	967,205	82%	92%
2014	0.00135573%	(307,306)	903,339	-34%	104%

Notes to schedule

Changes in Benefit Terms and Assumptions

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

Assumptions: The PERS Board adopted assumption changes that were used to measure the June 30, 2016 total pension liability and June 30, 2018 total pension liability. For June 30, 2016, the changes included the lowering of the long-term expected rate of return to 7.50 percent and lowering of the assumed inflation to 2.50 percent. For June 30, 2018, the long-term expected rate of return was lowered to 7.20 percent. For June 30, 2021, the long-term expected rate of return was lowered to 6.90 percent, and the inflation rate was lowered from 2.5 to 2.4 percent. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave, and vacation pay were updated. There were no change for the year ended June 30, 2022.

CITY OF STAYTON
SCHEDULE OF CONTRIBUTIONS
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last 10 Fiscal Years Ended

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	City's covered payroll	Contributions as a percent of covered payroll
2024	\$ 243,863	\$ 243,863	\$ -	\$ 1,094,475	22.28%
2023	565,305	565,305	-	1,033,884	54.68%
2022	240,392	240,392	-	1,038,557	23.15%
2021	235,478	235,478	-	1,033,302	22.79%
2020	187,969	187,969	-	958,395	19.61%
2019	159,585	159,585	-	940,352	16.97%
2018	182,834	182,834	-	1,023,561	17.86%
2017	212,099	212,099	-	954,756	22.21%
2016	190,064	190,064	-	949,451	20.02%
2015	185,123	185,123	-	967,205	19.14%

CITY OF STAYTON
SCHEDULE OF NET PENSION LIABILITY AND CHANGES IN NET PENSION LIABILITY
RETIREMENT PLAN FOR THE EMPLOYEES OF THE CITY OF STAYTON
Last 10 Plan Years

	Years Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<u>Beginning of year</u>										
Total pension liability	\$ 9,422,880	\$ 8,962,077	\$ 8,450,342	\$ 7,982,276	\$ 7,576,069	\$ 7,135,977	\$ 7,014,532	\$ 6,582,356	\$ 5,814,484	\$ 5,460,247
Fiduciary net position	9,159,417	10,596,676	8,441,245	8,190,631	7,408,109	6,882,911	6,267,517	6,149,862	5,909,978	5,089,313
Net pension liability (asset)	\$ 263,463	\$ (1,634,599)	\$ 9,097	\$ (208,355)	\$ 167,960	\$ 253,066	\$ 747,015	\$ 432,494	\$ (95,494)	\$ 370,934
<u>Changes in total pension liability</u>										
Service cost	\$ 273,027	\$ 263,794	\$ 273,205	\$ 263,966	\$ 244,921	\$ 236,639	\$ 234,298	\$ 226,375	\$ 196,034	\$ 205,098
Interest on total pension liability	617,353	586,427	555,471	525,231	499,052	470,246	461,171	434,734	384,088	362,649
Effect of economic/demographic losses	282,394	-	12,904	-	(73,788)	-	(266,243)	-	(59,144)	(48,357)
Effect of assumption changes or inputs	295,384	-	25,840	-	22,568	-	-	-	441,438	-
Benefit payments	(396,326)	(389,418)	(355,685)	(321,131)	(286,546)	(266,793)	(307,781)	(228,933)	(194,544)	(165,153)
Net change in total pension liability	\$ 1,071,832	\$ 460,803	\$ 511,735	\$ 468,066	\$ 406,207	\$ 440,092	\$ 121,445	\$ 432,176	\$ 767,872	\$ 354,237
<u>Changes in fiduciary net position</u>										
Employer contributions	\$ 382,559	\$ 333,274	\$ 355,483	\$ 351,006	\$ 604,633	\$ 230,677	\$ 223,999	\$ 213,582	\$ 198,193	\$ 203,582
Member contributions	-	-	-	-	-	77,795	76,484	76,542	68,901	70,200
Investment income net of expenses	901,848	(1,381,115)	2,155,633	220,739	464,435	483,519	647,240	106,824	183,402	729,046
Benefit payments	(396,326)	(389,418)	(355,685)	(321,131)	(286,546)	(266,793)	(307,781)	(228,933)	(194,544)	(165,153)
Administrative expenses	-	-	-	-	-	-	(24,548)	(50,360)	(16,068)	(17,010)
Net change in fiduciary net position	\$ 888,081	\$ (1,437,259)	\$ 2,155,431	\$ 250,614	\$ 782,522	\$ 525,198	\$ 615,394	\$ 117,655	\$ 239,884	\$ 820,665
<u>End of year</u>										
Total pension liability	\$ 10,494,712	\$ 9,422,880	\$ 8,962,077	\$ 8,450,342	\$ 7,982,276	\$ 7,576,069	\$ 7,135,977	\$ 7,014,532	\$ 6,582,356	\$ 5,814,484
Fiduciary net position	10,047,498	9,159,417	10,596,676	8,441,245	8,190,631	7,408,109	6,882,911	6,267,517	6,149,862	5,909,978
Net pension liability (asset)	\$ 447,214	\$ 263,463	\$ (1,634,599)	\$ 9,097	\$ (208,355)	\$ 167,960	\$ 253,066	\$ 747,015	\$ 432,494	\$ (95,494)
Fiduciary net position as a percent of total pension liability	95.7%	97.2%	118.2%	99.9%	102.6%	97.8%	96.5%	89.4%	93.4%	101.6%
Covered payroll	\$ 1,833,267	\$ 1,551,820	\$ 1,435,047	\$ 1,507,990	\$ 1,399,047	\$ 1,393,167	\$ 1,346,055	\$ 1,188,545	\$ 1,148,353	\$ 1,051,497
Net pension liability as a percent of covered payroll	24.4%	17.0%	-113.9%	0.6%	-14.9%	12.1%	18.8%	62.9%	37.7%	-9.1%

Notes to schedule

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Effective July 1, 2006: Individual entry age normal, level percent of pay
Amortization method	Effective July 1, 2017: Closed 20-year amortization, level percent of pay, with the balance being amortized each year and the amortization period reducing one year per year until it reaches 15 years. Once the amortization period reaches 15 years, new bases will be amortized over 15 years (layered amortization). Effective July 1, 2015: Closed 22-year amortization, level percent of pay Effective July 1, 2014: Closed 23-year amortization, level percent of pay Effective July 1, 2013: Closed 24-year amortization, level percent of pay Effective July 1, 2012: Closed 25-year amortization, level percent of pay
Asset valuation method	Effective July 1, 2009: Market value gains and losses smoothed over five years, with result not less than 80% or greater than 120% of market value
Pre-retirement Healthy Mortality	None
Post Retirement Healthy mortality	Effective July 1, 2021: Pub-2010 General Employee, Sex-distinct, set back 12 months for males and no setback for females. Projected generationally using Unisex Social Security 2017 Scale. Effective July 1, 2019: Pub-2010 General Employee, Healthy Retiree, sex distinct, set back 12 months for males and no setback for females, Projected generationally using Unisex Social Security 2015 Scale. Effective July 1, 2015: RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in section 4 Effective July 1, 2012: Healthy Combined RP_2000 mortality projected to 2020
Cost of living increases	2.0% per year
Salary increases	Effective July 1, 2015: 3.5% per year Effective July 1, 2012: 4.0% per year

CITY OF STAYTON
SCHEDULE OF EMPLOYER CONTRIBUTIONS
RETIREMENT PLAN FOR THE EMPLOYEES OF THE CITY OF STAYTON
Last 10 Fiscal Years
(Amounts in Thousands)

	Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	* \$	433	\$ 366	\$ 324	\$ 339	\$ 315	\$ 322	\$ 288	\$ 270	\$ 277
Actual employer contribution	317	383	333	355	351	605	308	300	290	267
Contribution deficiency (excess)	* \$	50	\$ 33	\$ (31)	\$ (12)	\$ (290)	\$ 14	\$ (12)	\$ (20)	\$ 10
Covered payroll	* \$	1,833	\$ 1,552	\$ 1,508	\$ 1,399	\$ 1,393	\$ 1,346	\$ 1,189	\$ 1,148	\$ 1,051
Contribution as a percent of covered payroll	*	20.89%	21.46%	23.54%	25.09%	43.43%	22.88%	25.23%	25.26%	25.40%
Valuation date	7/1/2021	7/1/2021	7/1/2019	7/1/2019	7/1/2017	7/1/2017	7/1/2015	7/1/2015	7/1/2014	7/1/2013
Assumed investment rate of return	*	6.25%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%

* Amounts currently not available

CITY OF STAYTON
SCHEDULE OF INVESTMENT RATE OF RETURN
RETIREMENT PLAN FOR THE EMPLOYEES OF THE CITY OF STAYTON
Last 10 Fiscal Years Ended

Year Ended June 30,	Rate of Return
2023	9.89%
2022	-13.10%
2021	25.60%
2020	2.70%
2019	6.10%
2018	7.03%
2017	10.40%
2016	1.75%
2015	3.10%
2014	14.24%

CITY OF STAYTON
SCHEDULE OF NET OTHER POSTEMPLOYMENT BENEFIT LIABILITY AND CHANGES IN
NET OTHER POSTEMPLOYMENT BENEFIT LIABILITY
EMPLOYEE BENEFIT PLAN FOR THE EMPLOYEES OF THE CITY OF STAYTON
Last 10 Plan Years*

	Years Ended June 30,							
	2023	2022	2021	2020	2019	2018	2017	2016
<u>Beginning of year</u>								
Total other postemployment benefit liability	\$ 234,890	\$ 221,481	\$ 219,585	\$ 207,898	\$ 250,678	\$ 237,854	\$ 231,855	\$ 221,388
Fiduciary net position	276,881	317,522	251,669	240,912	110,009	96,262	80,288	71,341
Net other postemployment benefit liability (asset)	\$ (41,991)	\$ (96,041)	\$ (32,084)	\$ (33,014)	\$ 140,669	\$ 141,592	\$ 151,567	\$ 150,047
<u>Changes in total other postemployment benefit liability</u>								
Service cost	\$ 7,168	\$ 6,926	\$ 6,955	\$ 6,720	\$ 6,469	\$ 6,250	\$ 4,616	\$ 4,460
Interest on total other postemployment benefit liability	15,516	14,583	14,452	13,667	16,403	15,574	15,098	14,408
Effect of economic/demographic losses	(29,250)	-	(11,660)	-	(57,707)	-	-	-
Effect of assumption changes or inputs	6,553	-	549	-	1,655	-	(5,315)	-
Benefit payments	(6,600)	(8,100)	(8,400)	(8,700)	(9,600)	(9,000)	(8,400)	(8,400)
Net change in total other postemployment benefit liability	\$ (6,613)	\$ 13,409	\$ 1,896	\$ 11,687	\$ (42,780)	\$ 12,824	\$ 5,999	\$ 10,468
<u>Changes in fiduciary net position</u>								
Employer contributions	\$ 10,188	\$ 9,019	\$ 9,805	\$ 12,918	\$ 130,056	\$ 15,767	\$ 15,999	\$ 16,627
Investment income net of expenses	27,449	(41,560)	64,448	6,539	10,447	6,980	8,689	1,304
Benefit payments	(6,600)	(8,100)	(8,400)	(8,700)	(9,600)	(9,000)	(8,400)	(8,400)
Administrative expenses	-	-	-	-	-	-	(314)	(584)
Net change in fiduciary net position	\$ 31,037	\$ (40,641)	\$ 65,853	\$ 10,757	\$ 130,903	\$ 13,747	\$ 15,974	\$ 8,947
<u>End of year</u>								
Total other postemployment benefit liability	\$ 228,277	\$ 234,890	\$ 221,481	\$ 219,585	\$ 207,898	\$ 250,678	\$ 237,854	\$ 231,856
Fiduciary net position	307,918	276,881	317,522	251,669	240,912	110,009	96,262	80,288
Net other postemployment benefit liability (asset)	\$ (79,641)	\$ (41,991)	\$ (96,041)	\$ (32,084)	\$ (33,014)	\$ 140,669	\$ 141,592	\$ 151,568
Fiduciary net position as a percent of total other postemployment benefit liability	134.89%	117.88%	143.36%	114.61%	115.88%	43.88%	40.47%	34.63%
Covered payroll	\$ 1,833,267	\$ 1,551,820	\$ 1,435,047	\$ 1,507,990	\$ 1,399,047	\$ 1,393,167	\$ 1,346,055	\$ 1,188,545
Net other postemployment benefit liability as a percent of covered payroll	-4.34%	-2.71%	-6.69%	-2.13%	-2.36%	10.10%	10.52%	12.75%

*Information will be accumulated until 10 years are presented

Notes to schedule

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Effective July 1, 2006: Individual entry age normal, level percent of pay
Amortization method	Effective July 1, 2017: Closed 20-year amortization, level percent of pay, with the balance being amortized each year and the amortization period reducing one year per year until it reaches 15 years. Once the amortization period reaches 15 years, new bases will be amortized over 15 years (layered amortization) Effective July 1, 2015: Closed 22-year amortization, level percent of pay Effective July 1, 2014: Closed 23-year amortization, level percent of pay Effective July 1, 2013: Closed 24-year amortization, level percent of pay Effective July 1, 2012: Closed 25-year amortization, level percent of pay
Asset valuation method	Effective July 1, 2009: Market value gains and losses smoothed over five years, with result not less than 80% or greater than 120% of market value
Healthy mortality	Effective July 1, 2021: Pub-2010 General Employee, Sex-distinct, set back 12 months for males and no setback for females. Projected generationally using Unisex Social Security 2017 Scale Effective July 1, 2019: Pub-2010 General Employee, Sex-distinct, set back 12 months for males and no setback for females. Projected generationally using Unisex Social Security 2015 Scale Effective July 1, 2015: RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs Effective July 1, 2012: Healthy Combined RP-2000 mortality projected to 2020
Cost of living increases	2.0 percent per year
Salary increases	Effective July 1, 2015: 3.5 percent per year Effective July 1, 2012: 4.0 percent per year

CITY OF STAYTON
SCHEDULE OF EMPLOYER CONTRIBUTIONS
EMPLOYEE BENEFIT PLAN FOR THE EMPLOYEES OF THE CITY OF STAYTON
Last 10 Fiscal Years
(Amounts in Thousands)

	Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarilly determined contribution	* \$ 11	\$ 9	\$ 9	\$ 12	\$ 11	\$ 17	\$ 15	\$ 15	\$ 10	
Actual employer contribution	12	10	9	10	13	130	16	16	17	9
Contribution deficiency (excess)	* \$ 1	\$ 0	\$ (1)	\$ (1)	\$ (119)	\$ 1	\$ (1)	\$ (2)	\$ 1	
Covered payroll	* \$ 1,833	\$ 1,552	\$ 1,435	\$ 1,508	\$ 1,399	\$ 1,393	\$ 1,346	\$ 1,189	\$ 1,148	
Contribution as a percent of covered payroll	* 0.55%	0.58%	0.70%	0.86%	9.29%	1.15%	1.19%	1.43%	0.78%	
Valuation date	7/1/2021	7/1/2021	7/1/2019	7/1/2019	7/1/2017	7/1/2017	7/1/2015	7/1/2015	7/1/2014	7/1/2013
Assumed investment rate of return	* 6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%

* Information not available

CITY OF STAYTON
SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN
EMPLOYEE BENEFIT PLAN FOR THE EMPLOYEES OF THE CITY OF STAYTON
Last 10 Fiscal Years*

Year Ended June 30,	Rate of Return
2023	9.39%
2022	-13.12%
2021	25.63%
2020	2.71%
2019	5.40%
2018	7.09%
2017	10.53%
2016	1.77%

*Information will be accumulated until 10 years are presented

CITY OF STAYTON
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OTHER
POSTEMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS
Last 10 Plan Years*

	Years Ended June 30,					
	2023	2022	2021	2020	2019	2018
Service cost	\$ 17,397	\$ 20,833	\$ 20,241	\$ 15,921	\$ 14,261	\$ 19,035
Interest on total OPEB liability	14,222	7,282	7,111	9,479	9,614	10,576
Effect of economic/demographic gains or losses	-	91,231	-	29,843	-	(24,917)
Effect of assumptions changes or inputs	(2,568)	(31,362)	1,013	680	7,363	(29,013)
Benefit payments	(24,183)	(15,779)	(11,479)	(7,093)	(13,820)	(21,913)
Net change in total OPEB liability	4,868	72,205	16,886	48,830	17,418	(46,232)
Total OPEB liability - beginning of year	396,345	324,140	307,254	258,424	241,006	287,238
Total OPEB liability - end of year	\$ 401,213	\$ 396,345	\$ 324,140	\$ 307,254	\$ 258,424	\$ 241,006
Covered employee payroll	\$ 1,094,475	\$ 3,303,556	\$ 2,820,158	\$ 2,466,385	\$ 2,339,399	\$ 2,416,728
Total OPEB liability as a percentage of covered payroll	36.66%	12.00%	11.49%	12.46%	11.05%	9.97%

Notes to schedule

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

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Implicit rate subsidy

Contributions are not based on a measure of pay, therefore the covered-employee payroll is used in the percentages above.

Changes in assumptions

	2024	2023	2022	2021	2020	2019	2018
Discount rate used	3.65%	3.54%	2.16%	2.21%	3.50%	3.87%	3.58%

**COMBINING FINANCIAL STATEMENTS AND
INDIVIDUAL FUND SCHEDULES**

CITY OF STAYTON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2024

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 830,508	\$ 3,142,293	\$ 3,972,801
Receivables	<u>18,623</u>	<u>-</u>	<u>18,623</u>
Total assets	<u>\$ 849,131</u>	<u>\$ 3,142,293</u>	<u>\$ 3,991,424</u>
Liabilities, deferred inflows and fund balances			
Liabilities			
Accounts payable and accrued liabilities	\$ 31,270	\$ -	\$ 31,270
Total liabilities	<u>31,270</u>	<u>-</u>	<u>31,270</u>
Deferred inflows of resources			
Unavailable revenue	<u>11,516</u>	<u>-</u>	<u>11,516</u>
Total deferred inflows of resources	<u>11,516</u>	<u>-</u>	<u>11,516</u>
Fund balances			
Restricted for:			
Library	373,108	-	373,108
Parks	260,954	-	260,954
Swimming pool	172,283	-	172,283
Capital projects	-	2,272,153	2,272,153
Committed for:			
Capital projects	<u>-</u>	<u>870,140</u>	<u>870,140</u>
Total fund balances	<u>806,345</u>	<u>3,142,293</u>	<u>3,948,638</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 849,131</u>	<u>\$ 3,142,293</u>	<u>\$ 3,991,424</u>

CITY OF STAYTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2024

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
Revenues			
Property taxes	\$ 655,914	\$ -	\$ 655,914
Licenses, permits and fees	910	-	910
Fines and forfeitures	6,172	-	6,172
Charges for services	131,579	-	131,579
System development charges	-	13,985	13,985
Intergovernmental	162,765	-	162,765
Interest	39,260	152,931	192,191
Miscellaneous	8,036	-	8,036
	<u>1,007,291</u>	<u>166,916</u>	<u>1,174,207</u>
Expenditures			
Current			
General government	-	10,670	10,670
Culture and recreation	1,203,183	-	1,203,183
Capital outlay	11,917	19,501	31,418
	<u>1,215,100</u>	<u>30,171</u>	<u>1,245,271</u>
Excess (deficiency) of revenues over expenditures	<u>(207,809)</u>	<u>136,745</u>	<u>(71,064)</u>
Other financing sources (uses)			
Transfers in	405,000	88,800	493,800
Transfers out	(175,598)	(14,234)	(189,832)
	<u>229,402</u>	<u>74,566</u>	<u>303,968</u>
Net change in fund balances	<u>21,593</u>	<u>211,311</u>	<u>232,904</u>
Fund balances at beginning of year	534,336	2,160,674	2,695,010
Change within financial reporting entity (proprietary to governmental)	<u>250,416</u>	<u>770,308</u>	<u>1,020,724</u>
Fund balances at beginning of year, as restated	<u>784,752</u>	<u>2,930,982</u>	<u>3,715,734</u>
Fund balances at end of year	<u>\$ 806,345</u>	<u>\$ 3,142,293</u>	<u>\$ 3,948,638</u>

CITY OF STAYTON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2024

	Library	Parks	Swimming Pool	Total
Assets				
Cash and cash equivalents	\$ 382,509	\$ 276,613	\$ 171,386	\$ 830,508
Receivables	<u>2,947</u>	<u>6,271</u>	<u>9,405</u>	<u>18,623</u>
Total assets	<u>\$ 385,456</u>	<u>\$ 282,884</u>	<u>\$ 180,791</u>	<u>\$ 849,131</u>
Liabilities, deferred inflows and fund balances				
Liabilities				
Accounts payable and accrued liabilities	<u>\$ 10,127</u>	<u>\$ 16,988</u>	<u>\$ 4,155</u>	<u>\$ 31,270</u>
Total liabilities	<u>10,127</u>	<u>16,988</u>	<u>4,155</u>	<u>31,270</u>
Deferred inflows of resources				
Unavailable revenue	<u>2,221</u>	<u>4,942</u>	<u>4,353</u>	<u>11,516</u>
Total deferred inflows of resources	<u>2,221</u>	<u>4,942</u>	<u>4,353</u>	<u>11,516</u>
Fund balances				
Restricted for:				
Library	373,108		-	373,108
Parks	-	260,954	-	260,954
Swimming pool	-	-	<u>172,283</u>	<u>172,283</u>
Total fund balances	<u>373,108</u>	<u>260,954</u>	<u>172,283</u>	<u>806,345</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 385,456</u>	<u>\$ 282,884</u>	<u>\$ 180,791</u>	<u>\$ 849,131</u>

CITY OF STAYTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2024

	Library	Parks	Swimming Pool	Total
Revenues				
Property taxes	\$ 289,704	\$ 182,580	\$ 183,630	\$ 655,914
Licenses, permits and fees	910	-	-	910
Fines and forfeitures	6,172	-	-	6,172
Charges for services	-	-	131,579	131,579
Intergovernmental	162,765	-	-	162,765
Interest	18,614	12,954	7,692	39,260
Miscellaneous	-	7,371	665	8,036
	<u>478,165</u>	<u>205,560</u>	<u>323,566</u>	<u>1,007,291</u>
Expenditures				
Current				
Culture and recreation	515,707	319,227	368,249	1,203,183
Capital outlay	<u>10,920</u>	<u>997</u>	<u>-</u>	<u>11,917</u>
	<u>526,627</u>	<u>320,224</u>	<u>368,249</u>	<u>1,215,100</u>
Excess (deficiency) of revenues over expenditures	<u>(48,462)</u>	<u>(114,664)</u>	<u>(44,683)</u>	<u>(207,809)</u>
Other financing sources (uses)				
Transfers in	70,000	190,000	145,000	405,000
Transfers out	<u>(50,600)</u>	<u>(64,798)</u>	<u>(60,200)</u>	<u>(175,598)</u>
	<u>19,400</u>	<u>125,202</u>	<u>84,800</u>	<u>229,402</u>
Net change in fund balances	<u>(29,062)</u>	<u>10,538</u>	<u>40,117</u>	<u>21,593</u>
Fund balances at beginning of year	402,170	-	132,166	534,336
Change within financial reporting entity	<u>-</u>	<u>250,416</u>	<u>-</u>	<u>250,416</u>
Fund balances at beginning of year, as restated	<u>402,170</u>	<u>250,416</u>	<u>132,166</u>	<u>784,752</u>
Fund balances at end of year	<u>\$ 373,108</u>	<u>\$ 260,954</u>	<u>\$ 172,283</u>	<u>\$ 806,345</u>

CITY OF STAYTON
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
June 30, 2024

	Street System Development Charges	Parks System Development Charges	Facilities	Total
Assets				
Cash and cash equivalents	\$ 1,189,312	\$ 1,082,841	\$ 870,140	\$ 3,142,293
Total assets	<u>\$ 1,189,312</u>	<u>\$ 1,082,841</u>	<u>\$ 870,140</u>	<u>\$ 3,142,293</u>
Fund balances				
Restricted for:				
Capital projects	\$ 1,189,312	\$ 1,082,841	\$ -	\$ 2,272,153
Committed for:				
Capital projects	-	-	870,140	870,140
Total fund balances	<u>\$ 1,189,312</u>	<u>\$ 1,082,841</u>	<u>\$ 870,140</u>	<u>\$ 3,142,293</u>

CITY OF STAYTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
Year Ended June 30, 2024

	Street System Development Charges	Parks System Development Charges	Facilities	Total
Revenues				
System development charges	\$ 6,391	\$ 7,594	\$ -	\$ 13,985
Interest	<u>58,824</u>	<u>52,904</u>	<u>41,203</u>	<u>152,931</u>
Total revenues	<u>65,215</u>	<u>60,498</u>	<u>41,203</u>	<u>166,916</u>
Expenditures				
Current				
General government	\$ -	\$ -	\$ 10,670	\$ 10,670
Capital outlay	<u>-</u>	<u>-</u>	<u>19,501</u>	<u>19,501</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>30,171</u>	<u>30,171</u>
Excess (deficiency) of revenues over expenditures	65,215	60,498	11,032	136,745
Other financing sources (uses)				
Transfers in	-	-	88,800	88,800
Transfers out	<u>(14,234)</u>	<u>-</u>	<u>-</u>	<u>(14,234)</u>
Total other financing sources (uses)	<u>(14,234)</u>	<u>-</u>	<u>88,800</u>	<u>74,566</u>
Net change in fund balances	50,981	60,498	99,832	211,311
Fund balances at beginning of year	1,138,331	1,022,343	-	2,160,674
Change within financial reporting entity (proprietary to governmental)	<u>-</u>	<u>-</u>	<u>770,308</u>	<u>770,308</u>
Fund balances at beginning of year, as restated	<u>1,138,331</u>	<u>1,022,343</u>	<u>770,308</u>	<u>2,930,982</u>
Fund balances at end of year	<u>\$ 1,189,312</u>	<u>\$ 1,082,841</u>	<u>\$ 870,140</u>	<u>\$ 3,142,293</u>

CITY OF STAYTON
LIBRARY - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Property taxes	\$ 293,400	\$ 289,704	\$ (3,696)
Licenses, permits and fees	700	910	210
Fines and forfeitures	3,500	6,172	2,672
Intergovernmental	159,915	162,765	2,850
Interest	<u>3,500</u>	<u>18,614</u>	<u>15,114</u>
Total revenues	<u>461,015</u>	<u>478,165</u>	<u>17,150</u>
Expenditures			
Library	558,009	526,627	31,382
Contingency	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Total expenditures	<u>588,009</u>	<u>526,627</u>	<u>61,382</u>
Excess (deficiency) of revenues over expenditures	<u>(126,994)</u>	<u>(48,462)</u>	<u>78,532</u>
Other financing sources (uses)			
Transfers in	70,000	70,000	-
Transfers out	<u>(50,600)</u>	<u>(50,600)</u>	<u>-</u>
Total other financing sources (uses)	<u>19,400</u>	<u>19,400</u>	<u>-</u>
Net change in fund balance	(107,594)	(29,062)	78,532
Fund balance at beginning of year	<u>370,000</u>	<u>402,170</u>	<u>32,170</u>
Fund balance at end of year	<u>\$ 262,406</u>	<u>\$ 373,108</u>	<u>\$ 110,702</u>

CITY OF STAYTON
PARKS - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2024

	Budget	Actual	Variance
Revenues			
Property taxes	\$ 183,400	\$ 182,580	\$ (820)
Rent	3,500	2,655	(845)
Interest	2,000	12,954	10,954
Miscellaneous	-	7,371	7,371
	<u>188,900</u>	<u>205,560</u>	<u>16,660</u>
Total revenues			
	<u>188,900</u>	<u>205,560</u>	<u>16,660</u>
Expenditures			
Parks	360,984	320,224	40,760
Contingency	50,000	-	50,000
	<u>410,984</u>	<u>320,224</u>	<u>90,760</u>
Total expenditures			
	<u>410,984</u>	<u>320,224</u>	<u>90,760</u>
Excess (deficiency) of revenues over expenditures	<u>(222,084)</u>	<u>(114,664)</u>	<u>107,420</u>
Other financing sources (uses)			
Transfers in	190,000	190,000	-
Transfers out	(73,900)	(64,798)	9,102
	<u>116,100</u>	<u>125,202</u>	<u>9,102</u>
Total other financing sources (uses)			
	<u>116,100</u>	<u>125,202</u>	<u>9,102</u>
Net change in fund balance	(105,984)	10,538	116,522
Fund balance at beginning of year	<u>230,000</u>	<u>250,416</u>	<u>20,416</u>
Fund balance at end of year	<u>\$ 124,016</u>	<u>\$ 260,954</u>	<u>\$ 136,938</u>

CITY OF STAYTON
SWIMMING POOL - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Property taxes	\$ 183,400	\$ 183,630	\$ 230
Charges for services	102,440	131,579	29,139
Interest	2,000	7,692	5,692
Miscellaneous	-	665	665
	<u>287,840</u>	<u>323,566</u>	<u>35,726</u>
Total revenues			
	<u>287,840</u>	<u>323,566</u>	<u>35,726</u>
Expenditures			
Pool	381,007	368,249	12,758
Contingency	19,000	-	19,000
	<u>400,007</u>	<u>368,249</u>	<u>31,758</u>
Total expenditures			
	<u>400,007</u>	<u>368,249</u>	<u>31,758</u>
Excess (deficiency) of revenues over expenditures	<u>(112,167)</u>	<u>(44,683)</u>	<u>67,484</u>
Other financing sources (uses)			
Transfers in	145,000	145,000	-
Transfers out	(60,200)	(60,200)	-
	<u>84,800</u>	<u>84,800</u>	<u>-</u>
Total other financing sources (uses)			
	<u>84,800</u>	<u>84,800</u>	<u>-</u>
Net change in fund balance	(27,367)	40,117	67,484
Fund balance at beginning of year	<u>102,600</u>	<u>132,166</u>	<u>29,566</u>
Fund balance at end of year	<u>\$ 75,233</u>	<u>\$ 172,283</u>	<u>\$ 97,050</u>

CITY OF STAYTON
STREET SYSTEM DEVELOPMENT CHARGES - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2024

	Budget	Actual	Variance
Revenues			
System development charges	\$ 63,340	\$ 6,391	\$ (56,949)
Interest	<u>18,000</u>	<u>58,824</u>	<u>40,824</u>
Total revenues	<u>81,340</u>	<u>65,215</u>	<u>(16,125)</u>
Other financing sources (uses)			
Transfers out	<u>(33,500)</u>	<u>(14,234)</u>	<u>19,266</u>
Total other financing sources (uses)	<u>(33,500)</u>	<u>(14,234)</u>	<u>19,266</u>
Net change in fund balance	47,840	50,981	3,141
Fund balance at beginning of year	<u>1,250,000</u>	<u>1,138,331</u>	<u>(111,669)</u>
Fund balance at end of year	<u>\$ 1,297,840</u>	<u>\$ 1,189,312</u>	<u>\$ (108,528)</u>

CITY OF STAYTON
PARKS SYSTEM DEVELOPMENT CHARGES - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
System development charges	\$ 75,260	\$ 7,594	\$ (67,666)
Interest	<u>7,500</u>	<u>52,904</u>	<u>45,404</u>
Total revenues	<u>82,760</u>	<u>60,498</u>	<u>(22,262)</u>
Net change in fund balance	82,760	60,498	(22,262)
Fund balance at beginning of year	<u>1,000,000</u>	<u>1,022,343</u>	<u>22,343</u>
Fund balance at end of year	<u>\$ 1,082,760</u>	<u>\$ 1,082,841</u>	<u>\$ 81</u>

CITY OF STAYTON
FACILITIES - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Interest	\$ 10,000	\$ 41,203	\$ 31,203
Total revenues	<u>10,000</u>	<u>41,203</u>	<u>31,203</u>
Expenditures			
Facilities	<u>37,301</u>	<u>30,171</u>	<u>7,130</u>
Total expenditures	<u>37,301</u>	<u>30,171</u>	<u>7,130</u>
Excess (deficiency) of revenues over expenditures	<u>(27,301)</u>	<u>11,032</u>	<u>38,333</u>
Other financing sources (uses)			
Transfers in	<u>88,800</u>	<u>88,800</u>	<u>-</u>
Total other financing sources (uses)	<u>88,800</u>	<u>88,800</u>	<u>-</u>
Net change in fund balance	61,499	99,832	38,333
Fund balance at beginning of year	<u>730,000</u>	<u>770,308</u>	<u>40,308</u>
Fund balance at end of year	<u>\$ 791,499</u>	<u>\$ 870,140</u>	<u>\$ 78,641</u>

CITY OF STAYTON
COMBINING STATEMENT OF NET POSITION
WATER FUND
June 30, 2024

	Water	Water System Development Charges	Total Water Fund
Assets			
Current assets			
Cash and cash equivalents	\$ 1,322,008	\$ 1,124,859	\$ 2,446,867
Receivables, net	193,107	-	193,107
Inventory	115,506	-	115,506
Total current assets	<u>1,630,621</u>	<u>1,124,859</u>	<u>2,755,480</u>
Net other postemployment benefits asset	7,047	-	7,047
Capital assets			
Capital assets, nondepreciable	89,820	-	89,820
Capital assets, net of accumulated depreciation	12,657,171	-	12,657,171
Total capital assets	<u>12,746,991</u>	<u>-</u>	<u>12,746,991</u>
Total assets	<u>14,384,659</u>	<u>1,124,859</u>	<u>15,509,518</u>
Deferred outflows of resources			
Refunded debt charges	26,945	-	26,945
Pension related items	130,244	-	130,244
Other postemployment benefit related items	12,903	-	12,903
Total deferred outflows of resources	<u>170,092</u>	<u>-</u>	<u>170,092</u>
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	18,056	-	18,056
Accrued interest payable	7,092	-	7,092
Unearned revenue	108,928	-	108,928
Consumer deposits	61,432	-	61,432
Compensated absences	21,726	-	21,726
Bonds payable	281,414	-	281,414
Total current liabilities	<u>498,648</u>	<u>-</u>	<u>498,648</u>
Noncurrent liabilities			
Bonds payable	2,223,486	-	2,223,486
Net pension liability	46,556	-	46,556
Net other postemployment benefits liability	30,462	-	30,462
Total noncurrent liabilities	<u>2,300,504</u>	<u>-</u>	<u>2,300,504</u>
Total liabilities	<u>2,799,152</u>	<u>-</u>	<u>2,799,152</u>
Deferred inflows of resources			
Pension related items	4,544	-	4,544
Other postemployment benefit related items	6,908	-	6,908
Total deferred inflows of resources	<u>11,452</u>	<u>-</u>	<u>11,452</u>
Net position			
Net investment in capital assets	10,242,091	-	10,242,091
Restricted for capital projects	-	1,124,859	1,124,859
Unrestricted	1,502,056	-	1,502,056
Total net position	<u>\$ 11,744,147</u>	<u>\$ 1,124,859</u>	<u>\$ 12,869,006</u>

CITY OF STAYTON
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
WATER FUND
Year Ended June 30, 2024

	Water	Water System Development Charges	Total Water Fund
Operating revenues			
Charges for services	\$ 2,300,795	\$ -	\$ 2,300,795
Operating expenses			
Personnel services	377,454	-	377,454
Materials and services	667,389	-	667,389
Depreciation	346,534	-	346,534
Total operating expenses	1,391,377	-	1,391,377
Operating income (loss)	909,418	-	909,418
Nonoperating revenues (expenses)			
Interest income	73,263	54,957	128,220
Miscellaneous	21,287	-	21,287
Debt service	(61,335)	-	(61,335)
Total nonoperating revenue (expenses)	33,215	54,957	88,172
Income (loss) before capital contributions and transfers	942,633	54,957	997,590
Capital contributions	-	7,904	7,904
Transfers out	(386,397)	-	(386,397)
Change in net position	556,236	62,861	619,097
Net position - beginning	11,187,911	1,061,998	12,249,909
Net position - ending	\$ 11,744,147	\$ 1,124,859	\$ 12,869,006

CITY OF STAYTON
COMBINING STATEMENT OF CASH FLOWS
WATER FUND
Year Ended June 30, 2024

	Water	Water System Development Charges	Total Water Fund
Cash flows from operating activities			
Receipts from customers	\$ 2,302,851	\$ -	\$ 2,302,851
Payments to suppliers	(775,498)	-	(775,498)
Payments to employees	(364,235)	-	(364,235)
Net cash provided by operating activities	<u>1,163,118</u>	<u>-</u>	<u>1,163,118</u>
Cash flows from noncapital financing activities			
Transfers out	(386,397)	-	(386,397)
Net cash provided by (used in) noncapital financing activities	<u>(386,397)</u>	<u>-</u>	<u>(386,397)</u>
Cash flows from capital and related financing activities			
System development charges received	-	7,904	7,904
Other	21,287	-	21,287
Acquisition of capital assets	(365,807)	-	(365,807)
Principal paid on long-term obligations	(235,000)	-	(235,000)
Interest paid on long-term obligations	(94,700)	-	(94,700)
Net cash provided by (used in) capital and related financing activities	<u>(674,220)</u>	<u>7,904</u>	<u>(666,316)</u>
Cash flows from investing activities			
Interest on investments	73,263	54,957	128,220
Net cash provided by investing activities	<u>73,263</u>	<u>54,957</u>	<u>128,220</u>
Net increase (decrease) in cash and cash equivalents	175,764	62,861	238,625
Cash and cash equivalents - beginning of year	<u>1,146,244</u>	<u>1,061,998</u>	<u>2,208,242</u>
Cash and cash equivalents - end of year	<u>\$ 1,322,008</u>	<u>\$ 1,124,859</u>	<u>\$ 2,446,867</u>
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	\$ 909,418	\$ -	\$ 909,418
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	346,534	-	346,534
(Increase) decrease in assets and deferred outflows of resources			
Receivables, net	(5,787)	-	(5,787)
Inventories	(530)	-	(530)
Net other postemployment benefits asset	(3,919)	-	(3,919)
Deferred outflows - pension related items	(5,711)	-	(5,711)
Deferred outflows - other postemployment benefit related items	2,680	-	2,680
Increase (decrease) in liabilities and deferred inflows of resources			
Accounts payable and accrued liabilities	(107,579)	-	(107,579)
Consumer deposits	7,843	-	7,843
Compensated absences payable	(690)	-	(690)
Net pension liability	20,394	-	20,394
Net other postemployment benefits liability	507	-	507
Deferred inflows - pension related items	(1,411)	-	(1,411)
Deferred inflows - other postemployment benefit related items	1,369	-	1,369
Net cash provided by (used in) operating activities	<u>\$ 1,163,118</u>	<u>\$ -</u>	<u>\$ 1,163,118</u>

CITY OF STAYTON
WATER - ENTERPRISE FUND (MAJOR FUND)
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Charges for services	\$ 2,203,920	\$ 2,312,397	\$ 108,477
Intergovernmental	514,750	-	(514,750)
Interest	20,000	73,263	53,263
Miscellaneous	<u>9,000</u>	<u>21,287</u>	<u>12,287</u>
Total revenues	<u>2,747,670</u>	<u>2,406,947</u>	<u>(340,723)</u>
Expenditures			
Water	2,494,011	1,397,961	1,096,050
Debt service	329,700	329,700	-
Contingency	<u>225,000</u>	<u>-</u>	<u>225,000</u>
Total expenditures	<u>3,048,711</u>	<u>1,727,661</u>	<u>1,321,050</u>
Excess (deficiency) of revenues over expenditures	<u>(301,041)</u>	<u>679,286</u>	<u>980,327</u>
Other financing sources (uses)			
Transfers in	239,688	-	(239,688)
Transfers out	<u>(454,200)</u>	<u>(386,397)</u>	<u>67,803</u>
Total other financing sources (uses)	<u>(214,512)</u>	<u>(386,397)</u>	<u>(171,885)</u>
Net change in fund balance	(515,553)	292,889	808,442
Fund balance at beginning of year	<u>1,050,000</u>	<u>1,033,810</u>	<u>(16,190)</u>
Fund balance at end of year	<u>\$ 534,447</u>	<u>1,326,699</u>	<u>\$ 792,252</u>
Reconciliation to generally accepted accounting principles			
Inventory		115,506	
Net other postemployment benefit asset		7,047	
Capital assets, net		12,746,991	
Deferred outflows of resources		170,092	
Accrued interest payable		(7,092)	
Compensated absences payable		(21,726)	
Net pension liability		(46,556)	
Net other postemployment benefit liability		(30,462)	
Bonds payable		(2,504,900)	
Deferred inflows of resources		<u>(11,452)</u>	
Net position - ending		<u>\$ 11,744,147</u>	

CITY OF STAYTON
WATER SYSTEM DEVELOPMENT CHARGES - WATER FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
System development charges	\$ 78,340	\$ 7,904	\$ (70,436)
Interest	<u>11,000</u>	<u>54,957</u>	<u>43,957</u>
Total revenues	<u>89,340</u>	<u>62,861</u>	<u>(26,479)</u>
Other financing sources (uses)			
Transfers out	<u>(239,688)</u>	<u>-</u>	<u>239,688</u>
Total other financing sources (uses)	<u>(239,688)</u>	<u>-</u>	<u>239,688</u>
Net change in fund balance	(150,348)	62,861	213,209
Fund balance at beginning of year	<u>1,060,000</u>	<u>1,061,998</u>	<u>1,998</u>
Fund balance at end of year	<u>\$ 909,652</u>	<u>\$ 1,124,859</u>	<u>\$ 215,207</u>

CITY OF STAYTON
COMBINING STATEMENT OF NET POSITION
WASTEWATER FUND
June 30, 2024

	Wastewater	Wastewater System Development Charges	Total Wastewater Fund
Assets			
Current assets			
Cash and cash equivalents	\$ 5,707,758	\$ 742,411	\$ 6,450,169
Receivables, net	329,643	-	329,643
Inventory	576,847	-	576,847
Total current assets	<u>6,614,248</u>	<u>742,411</u>	<u>7,356,659</u>
Net other postemployment benefits asset	<u>11,693</u>	<u>-</u>	<u>11,693</u>
Capital assets			
Capital assets, nondepreciable	2,758,621	-	2,758,621
Capital assets, net of accumulated depreciation	19,794,105	-	19,794,105
Total capital assets	<u>22,552,726</u>	<u>-</u>	<u>22,552,726</u>
Total assets	<u>29,178,667</u>	<u>742,411</u>	<u>29,921,078</u>
Deferred outflows of resources			
Pension related items	158,011	-	158,011
Other postemployment benefit related items	17,185	-	17,185
Total deferred outflows of resources	<u>175,196</u>	<u>-</u>	<u>175,196</u>
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	288,672	-	288,672
Accrued interest payable	160,781	-	160,781
Consumer deposits	60,904	-	60,904
Compensated absences	30,335	-	30,335
Bonds payable	608,326	-	608,326
Total current liabilities	<u>1,149,018</u>	<u>-</u>	<u>1,149,018</u>
Noncurrent liabilities			
Bonds payable	7,950,232	-	7,950,232
Net pension liability	59,242	-	59,242
Net other postemployment benefits liability	43,338	-	43,338
Total noncurrent liabilities	<u>8,052,812</u>	<u>-</u>	<u>8,052,812</u>
Total liabilities	<u>9,201,830</u>	<u>-</u>	<u>9,201,830</u>
Deferred inflows of resources			
Pension related items	38,427	-	38,427
Other postemployment benefit related items	10,828	-	10,828
Total deferred inflows of resources	<u>49,255</u>	<u>-</u>	<u>49,255</u>
Net position			
Net investment in capital assets	13,994,168	-	13,994,168
Restricted for:			
Capital projects	-	742,411	742,411
Debt service	517,490	-	517,490
Unrestricted	5,591,120	-	5,591,120
Total net position	<u>\$ 20,102,778</u>	<u>\$ 742,411</u>	<u>\$ 20,845,189</u>

CITY OF STAYTON
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
WASTEWATER FUND
Year Ended June 30, 2024

	Wastewater	Wastewater System Development Charges	Eliminations	Total Wastewater Fund
Operating revenues				
Charges for services	\$ 3,906,441	\$ -	\$ -	\$ 3,906,441
Operating expenses				
Personnel services	497,949	-	-	497,949
Materials and services	1,189,613	-	-	1,189,613
Depreciation	629,553	-	-	629,553
Total operating expenses	2,317,115	-	-	2,317,115
Operating income (loss)	1,589,326	-	-	1,589,326
Nonoperating revenues (expenses)				
Interest income	270,829	41,038	-	311,867
Miscellaneous	2,140	-	-	2,140
Interest expense	(222,548)	-	-	(222,548)
Total nonoperating revenue (expenses)	50,421	41,038	-	91,459
Income (loss) before capital contributions and transfers	1,639,747	41,038	-	1,680,785
Miscellaneous revenue		-		-
Capital contributions	500,000	5,889	-	505,889
Transfers in	97,564	-	(97,564)	-
Transfers out	(486,396)	(97,564)	97,564	(486,396)
Change in net position	1,750,915	(50,637)	-	1,700,278
Net position - beginning	18,351,863	793,048	-	19,144,911
Net position - ending	\$ 20,102,778	\$ 742,411	\$ -	\$ 20,845,189

CITY OF STAYTON
COMBINING STATEMENT OF CASH FLOWS
WASTEWATER FUND
Year Ended June 30, 2024

	Wastewater	Wastewater System Development Charges	Eliminations	Total Wastewater Fund
Cash flows from operating activities				
Receipts from customers	\$ 3,933,552	\$ -	\$ -	\$ 3,933,552
Payments to suppliers	(1,142,064)	-	-	(1,142,064)
Payments to employees	(463,485)	-	-	(463,485)
Net cash provided by (used in) operating activities	2,328,003	-	-	2,328,003
Cash flows from noncapital financing activities				
Transfers out	(486,396)	-	-	(486,396)
Net cash provided by (used in) noncapital financing activities	(486,396)	-	-	(486,396)
Cash flows from capital and related financing activities				
Transfers in	97,564	-	(97,564)	-
Transfers out	-	(97,564)	97,564	-
System development charges received	-	5,889	-	5,889
Other	2,140	-	-	2,140
Grants	500,000	-	-	500,000
Acquisition of capital assets	(1,910,595)	-	-	(1,910,595)
Principal paid on long-term obligations	(563,144)	-	-	(563,144)
Interest paid on long-term obligations	(253,053)	-	-	(253,053)
Net cash provided by (used in) capital and related financing activities	(2,127,088)	(91,675)	-	(2,218,763)
Cash flows from investing activities				
Interest on investments	270,829	41,038	-	311,867
Net cash provided by (used in) investing activities	270,829	41,038	-	311,867
Net increase (decrease) in cash and cash equivalents	(14,652)	(50,637)	-	(65,289)
Cash and cash equivalents - beginning of year	5,722,410	793,048	-	6,515,458
Cash and cash equivalents - end of year	\$ 5,707,758	\$ 742,411	\$ -	\$ 6,450,169
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ 1,589,326	\$ -	\$ -	\$ 1,589,326
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	629,553	-	-	629,553
(Increase) decrease in assets and deferred outflows of resources				
Receivables, net	21,107	-	-	21,107
Inventories	(10,232)	-	-	(10,232)
Net other postemployment benefits asset	(4,990)	-	-	(4,990)
Deferred outflows - pension related items	(7,267)	-	-	(7,267)
Deferred outflows - other postemployment benefit related items	3,412	-	-	3,412
Increase (decrease) in liabilities and deferred inflows of resources				
Accounts payable and accrued liabilities	57,781	-	-	57,781
Consumer deposits	6,004	-	-	6,004
Compensated absences payable	16,543	-	-	16,543
Net pension liability	26,174	-	-	26,174
Net other postemployment benefits liability	645	-	-	645
Deferred inflows - pension related items	(1,795)	-	-	(1,795)
Deferred inflows - other postemployment benefit related items	1,742	-	-	1,742
Net cash provided by (used in) operating activities	\$ 2,328,003	\$ -	\$ -	\$ 2,328,003

CITY OF STAYTON
WASTEWATER - ENTERPRISE FUND (MAJOR FUND)
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Charges for services	\$ 3,740,000	\$ 3,927,495	\$ 187,495
System development charges	500,000	500,000	-
Interest	85,000	270,829	185,829
Miscellaneous	<u>-</u>	<u>2,140</u>	<u>2,140</u>
Total revenues	<u>4,325,000</u>	<u>4,700,464</u>	<u>375,464</u>
Expenditures			
Wastewater	4,369,140	3,573,925	795,215
Debt service	817,000	816,197	803
Contingency	<u>725,000</u>	<u>-</u>	<u>725,000</u>
Total expenditures	<u>5,911,140</u>	<u>4,390,122</u>	<u>1,521,018</u>
Excess (deficiency) of revenues over expenditures	<u>(1,586,140)</u>	<u>310,342</u>	<u>1,896,482</u>
Other financing sources (uses)			
Transfers in	252,000	97,564	(154,436)
Transfers out	<u>(565,400)</u>	<u>(486,396)</u>	<u>79,004</u>
Total other financing sources (uses)	<u>(313,400)</u>	<u>(388,832)</u>	<u>(75,432)</u>
Net change in fund balance	(1,899,540)	(78,490)	1,821,050
Fund balance at beginning of year	<u>4,950,000</u>	<u>5,766,315</u>	<u>816,315</u>
Fund balance at end of year	<u>\$ 3,050,460</u>	<u>5,687,825</u>	<u>\$ 2,637,365</u>
Reconciliation to generally accepted accounting principles			
Inventory		576,847	
Net other postemployment benefit asset		11,693	
Capital assets, net		22,552,726	
Deferred outflows of resources		175,196	
Accrued interest payable		(160,781)	
Compensated absences payable		(30,335)	
Net pension liability		(59,242)	
Net other postemployment benefit liability		(43,338)	
Bonds payable		(8,558,558)	
Deferred inflows of resources		<u>(49,255)</u>	
Net position - ending		<u>\$ 20,102,778</u>	

CITY OF STAYTON
WASTEWATER SYSTEM DEVELOPMENT CHARGES - WASTEWATER FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2024

	Budget	Actual	Variance
Revenues			
System development charges	\$ 58,360	\$ 5,889	\$ (52,471)
Interest	<u>7,500</u>	<u>41,038</u>	<u>33,538</u>
Total revenues	<u>65,860</u>	<u>46,927</u>	<u>(18,933)</u>
Other financing sources (uses)			
Transfers out	<u>(252,000)</u>	<u>(97,564)</u>	<u>154,436</u>
Total other financing sources (uses)	<u>(252,000)</u>	<u>(97,564)</u>	<u>154,436</u>
Net change in fund balance	(186,140)	(50,637)	135,503
Fund balance at beginning of year	<u>840,000</u>	<u>793,048</u>	<u>(46,952)</u>
Fund balance at end of year	<u>\$ 653,860</u>	<u>\$ 742,411</u>	<u>\$ 88,551</u>

CITY OF STAYTON
COMBINING STATEMENT OF NET POSITION
STORMWATER FUND
June 30, 2024

	Stormwater	Stormwater System Development Charges	Total Stormwater Fund
Assets			
Current assets			
Cash and cash equivalents	\$ 466,647	\$ 507,343	\$ 973,990
Receivables, net	45,657	-	45,657
Total current assets	512,304	507,343	1,019,647
Net other postemployment benefits asset	1,037	-	1,037
Capital assets			
Capital assets, nondepreciable	1,685,712	-	1,685,712
Capital assets, net of accumulated depreciation	4,904,949	-	4,904,949
Total capital assets	6,590,661	-	6,590,661
Total assets	7,104,002	507,343	7,611,345
Deferred outflows of resources			
Pension related items	13,297	-	13,297
Other postemployment benefit related items	1,341	-	1,341
Total deferred outflows of resources	14,638	-	14,638
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	32,868	-	32,868
Accrued interest payable	6,926	-	6,926
Due to other funds	46,000	-	46,000
Bonds payable	30,585	-	30,585
Total current liabilities	116,379	-	116,379
Noncurrent liabilities			
Compensated absences			
Bonds payable	555,746	-	555,746
Net pension liability	4,712	-	4,712
Net other postemployment benefits liability	3,193	-	3,193
Total noncurrent liabilities	563,651	-	563,651
Total liabilities	680,030	-	680,030
Deferred inflows of resources			
Pension related items	4,949	-	4,949
Other postemployment benefit related items	838	-	838
Total deferred inflows of resources	5,787	-	5,787
Net position			
Net investment in capital assets	6,004,330	-	6,004,330
Restricted for capital projects	-	507,343	507,343
Unrestricted	428,493	-	428,493
Total net position	\$ 6,432,823	\$ 507,343	\$ 6,940,166

CITY OF STAYTON
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
STORMWATER FUND
Year Ended June 30, 2024

	Stormwater	Stormwater System Development Charges	Total Stormwater Fund
Operating revenues			
Charges for services	\$ 480,510	\$ -	\$ 480,510
Operating expenses			
Personnel services	38,023	-	38,023
Materials and services	239,532	-	239,532
Depreciation	<u>121,543</u>	<u>-</u>	<u>121,543</u>
Total operating expenses	<u>399,098</u>	<u>-</u>	<u>399,098</u>
Operating income (loss)	<u>81,412</u>	<u>-</u>	<u>81,412</u>
Nonoperating revenues (expenses)			
Interest income	23,302	24,661	47,963
Interest expense	<u>(17,599)</u>	<u>-</u>	<u>(17,599)</u>
Total nonoperating revenue (expenses)	<u>5,703</u>	<u>24,661</u>	<u>30,364</u>
Income (loss) before capital contributions and transfers	87,115	24,661	111,776
Capital contributions	-	10,132	10,132
Transfers out	<u>(138,958)</u>	<u>-</u>	<u>(138,958)</u>
Change in net position	(51,843)	34,793	(17,050)
Net position - beginning	<u>6,484,666</u>	<u>472,550</u>	<u>6,957,216</u>
Net position - ending	<u>\$ 6,432,823</u>	<u>\$ 507,343</u>	<u>\$ 6,940,166</u>

CITY OF STAYTON
COMBINING STATEMENT OF CASH FLOWS
STORMWATER FUND
Year Ended June 30, 2024

	Stormwater	Stormwater System Development Charges	Total Stormwater Fund
Cash flows from operating activities			
Receipts from customers	\$ 466,916	\$ -	\$ 466,916
Payments to suppliers	(209,930)	-	(209,930)
Payments to employees	(36,865)	-	(36,865)
Net cash provided by (used in) operating activities	<u>220,121</u>	<u>-</u>	<u>220,121</u>
Cash flows from noncapital financing activities			
Payments on interfund loan	(23,000)	-	(23,000)
Transfers out	(138,958)	-	(138,958)
Net cash provided by (used in) noncapital financing activities	<u>(161,958)</u>	<u>-</u>	<u>(161,958)</u>
Cash flows from capital and related financing activities			
System development charges received	-	10,132	10,132
Acquisition of capital assets	(23,609)	-	(23,609)
Principal paid on long-term obligations	(29,575)	-	(29,575)
Interest paid on long-term obligations	(17,965)	-	(17,965)
Net cash provided by (used in) capital and related financing activities	<u>(71,149)</u>	<u>10,132</u>	<u>(61,017)</u>
Cash flows from investing activities			
Interest on investments	<u>23,302</u>	<u>24,661</u>	<u>47,963</u>
Net cash provided by (used in) investing activities	<u>23,302</u>	<u>24,661</u>	<u>47,963</u>
Net increase (decrease) in cash and cash equivalents	10,316	34,793	45,109
Cash and cash equivalents - beginning of year	<u>456,331</u>	<u>472,550</u>	<u>928,881</u>
Cash and cash equivalents - end of year	<u>\$ 466,647</u>	<u>\$ 507,343</u>	<u>\$ 973,990</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ 81,412	\$ -	\$ 81,412
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Depreciation	121,543	-	121,543
(Increase) decrease in assets and deferred outflows of resources			
Receivables, net	(13,594)	-	(13,594)
Net other postemployment benefits asset	(397)	-	(397)
Deferred outflows - pension related items	(578)	-	(578)
Deferred outflows - other postemployment benefit related items	272	-	272
Increase (decrease) in liabilities and deferred inflows of resources			
Accounts payable and accrued liabilities	29,602	-	29,602
Net pension liability	1,814	-	1,814
Net other postemployment benefits liability	51	-	51
Deferred inflows - pension related items	(143)	-	(143)
Deferred inflows - other postemployment benefit related items	<u>139</u>	<u>-</u>	<u>139</u>
Net cash provided by (used in) operating activities	<u>\$ 220,121</u>	<u>\$ -</u>	<u>\$ 220,121</u>

CITY OF STAYTON
STORMWATER - ENTERPRISE FUND (MAJOR FUND)
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Charges for services	\$ 490,000	\$ 482,555	\$ (7,445)
Interest	75,000	23,302	(51,698)
Total revenues	<u>565,000</u>	<u>505,857</u>	<u>(59,143)</u>
Expenditures			
Stormwater	746,581	300,006	446,575
Debt service	71,500	70,540	960
Contingency	40,000	-	40,000
Total expenditures	<u>858,081</u>	<u>370,546</u>	<u>487,535</u>
Excess (deficiency) of revenues over expenditures	<u>(293,081)</u>	<u>135,311</u>	<u>428,392</u>
Other financing sources (uses)			
Transfers in	350,000	-	(350,000)
Transfers out	(159,400)	(138,958)	20,442
Total other financing sources (uses)	<u>190,600</u>	<u>(138,958)</u>	<u>(329,558)</u>
Net change in fund balance	(102,481)	(3,647)	98,834
Fund balance at beginning of year	<u>430,000</u>	<u>483,083</u>	<u>53,083</u>
Fund balance at end of year	<u>\$ 327,519</u>	<u>479,436</u>	<u>\$ 151,917</u>
Reconciliation to generally accepted accounting principles			
Net other postemployment benefit asset		1,037	
Capital assets, net		6,590,661	
Deferred outflows of resources		14,638	
Accrued interest payable		(6,926)	
Due to other funds		(46,000)	
Net pension liability		(4,712)	
Net other postemployment benefit liability		(3,193)	
Bonds payable		(586,331)	
Deferred inflows of resources		<u>(5,787)</u>	
Net position - ending		<u>\$ 6,432,823</u>	

CITY OF STAYTON
STORMWATER SYSTEM DEVELOPMENT CHARGES - STORMWATER FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
System development charges	\$ 69,600	\$ 10,132	\$ (59,468)
Interest	<u>6,000</u>	<u>24,661</u>	<u>18,661</u>
Total revenues	<u>75,600</u>	<u>34,793</u>	<u>(40,807)</u>
Other financing sources (uses)			
Transfers out	<u>(350,000)</u>	<u>-</u>	<u>350,000</u>
Total other financing sources (uses)	<u>(350,000)</u>	<u>-</u>	<u>350,000</u>
Net change in fund balance	(274,400)	34,793	309,193
Fund balance at beginning of year	<u>460,000</u>	<u>472,550</u>	<u>12,550</u>
Fund balance at end of year	<u>\$ 185,600</u>	<u>\$ 507,343</u>	<u>\$ 321,743</u>

CITY OF STAYTON
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
Year Ended June 30, 2024

	Formerly Proprietary Fund		
	Public Works Administration	Facilities	Totals
Operating revenues			
Licenses and permits	\$ 8,770	\$ -	\$ 8,770
Total operating revenues	8,770	-	8,770
Operating expenses			
Personnel services	525,455	-	525,455
Materials and services	244,601	-	244,601
Total operating expenses	770,056	-	770,056
Operating income (loss)	(761,286)	-	(761,286)
Nonoperating revenues (expenses)			
Interest income	27,888	-	27,888
Miscellaneous	151	-	151
Total nonoperating revenue (expenses)	28,039	-	28,039
Income (loss) before capital contributions and transfers	(733,247)	-	(733,247)
Transfers in	481,300	-	481,300
Change in net position	(251,947)	-	(251,947)
Net position - beginning	605,896	843,352	1,449,248
Change within financial reporting entity	-	(843,352)	(843,352)
Net position - beginning as restated	605,896	-	605,896
Net position - ending	\$ 353,949	\$ -	\$ 353,949

CITY OF STAYTON
PUBLIC WORKS ADMINISTRATION - INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2024

	Budget	Actual	Variance
Revenues			
Licenses, permits and fees	\$ -	\$ 8,770	\$ 8,770
Interest	10,000	27,888	17,888
Miscellaneous	<u>500</u>	<u>151</u>	<u>(349)</u>
Total revenues	<u>10,500</u>	<u>36,809</u>	<u>26,309</u>
Expenditures			
Public works administration	794,228	750,034	44,194
Contingency	<u>40,000</u>	<u>-</u>	<u>40,000</u>
Total expenditures	<u>834,228</u>	<u>750,034</u>	<u>84,194</u>
Excess (deficiency) of revenues over expenditures	<u>(823,728)</u>	<u>(713,225)</u>	<u>110,503</u>
Other financing sources (uses)			
Transfers in	<u>731,300</u>	<u>481,300</u>	<u>(250,000)</u>
Total other financing sources (uses)	<u>731,300</u>	<u>481,300</u>	<u>(250,000)</u>
Net change in fund balance	(92,428)	(231,925)	(139,497)
Fund balance at beginning of year	<u>225,000</u>	<u>521,941</u>	<u>296,941</u>
Fund balance at end of year	<u>\$ 132,572</u>	<u>290,016</u>	<u>\$ 157,444</u>
Reconciliation to generally accepted accounting principles			
Net other postemployment benefit asset		10,140	
Deferred outflows of resources		202,362	
Compensated absences payable		(23,950)	
Net pension liability		(64,603)	
Net other postemployment benefit liability		(40,841)	
Deferred inflows of resources		<u>(19,175)</u>	
Net position - ending		<u>\$ 353,949</u>	

CITY OF STAYTON
COMBINING STATEMENT OF NET POSITION
PENSION TRUST FUNDS
June 30, 2024

	Retirement Plan for Employees of the City of Stayton	Retirement Health Insurance Account	Totals
Assets			
Cash and cash equivalents	\$ 298,280	\$ 9,313	\$ 307,593
Receivables	43,637	1,173	44,810
Investments, at fair value			
Mutual funds	10,947,696	341,817	11,289,513
	<u>11,289,613</u>	<u>352,303</u>	<u>11,641,916</u>
Total assets			
	<u>11,289,613</u>	<u>352,303</u>	<u>11,641,916</u>
Net position			
Net position held in trust for:			
Pension benefits	11,289,613	-	11,289,613
Other postemployment benefits	-	352,303	352,303
	<u>-</u>	<u>352,303</u>	<u>352,303</u>
Total net position	<u>\$ 11,289,613</u>	<u>\$ 352,303</u>	<u>\$ 11,641,916</u>

CITY OF STAYTON
COMBINING STATEMENT OF CHANGES IN NET POSITION
PENSION TRUST FUNDS
Year Ended June 30, 2024

	Retirement Plan for Employees of the City of Stayton	Retirement Health Insurance Account	Totals
Additions			
Contributions	\$ 459,344	\$ 12,385	\$ 471,729
Investment earnings	<u>1,286,739</u>	<u>39,800</u>	<u>1,326,539</u>
Total additions	<u>1,746,083</u>	<u>52,185</u>	<u>1,798,268</u>
Deductions			
Benefits	<u>503,968</u>	<u>7,800</u>	<u>511,768</u>
Total deductions	<u>503,968</u>	<u>7,800</u>	<u>511,768</u>
Change in net position	1,242,115	44,385	1,286,500
Net position - beginning of year	<u>10,047,498</u>	<u>307,918</u>	<u>10,355,416</u>
Net position - end of year	<u>\$ 11,289,613</u>	<u>\$ 352,303</u>	<u>\$ 11,641,916</u>

COMPLIANCE SECTION

**INDEPENDENT AUDITOR'S REPORT REQUIRED BY
OREGON STATE REGULATIONS**

To the Mayor and City Council
City of Stayton
Stayton, Oregon

We have audited the basic financial statements of the City of Stayton, Oregon (the "City") as of and for the year ended June 30, 2024, and have issued our report thereon dated March 6, 2025. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Audit Standards*, issued by the Comptroller General of the United States.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0230 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

In connection with our testing nothing came to our attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations except as follows:

To the Mayor and City Council
City of Stayton
Independent Auditor's Report Required by Oregon State Regulations

Budgets legally require (ORS Chapter 294)

In the 2024-25 budget document, the City presented numbers different from the actual historical financial information for the first preceding year 2022-23 as follows:

<u>Fund / Appropriation Category</u>	<u>Presented</u>	<u>Historical</u>	<u>Variance</u>
General – Total Revenues	\$ 7,680,296	\$ 7,755,676	\$ (75,380)
General – Total Expenditures	4,603,042	4,603,744	(702)
Library – Total Revenues	928,375	855,398	2,977
Parks – Total Expenditures	345,945	332,575	13,370
Street – Total Expenditures	908,466	921,835	(13,369)
Water – Total Revenues	2,866,769	2,882,393	(15,624)
Wastewater – Total Revenues	9,276,898	9,269,861	7,037
Stormwater – Total Revenues	764,390	764,001	389
Facilities – Total Revenues	861,947	861,746	201

- 1) With Supplemental Budget No. 1103, the City attempted to appropriate \$200,000 from unappropriated fund balance. Appropriation of unappropriated fund balance is not allowed under ORS 294.398.

OAR 162-010-0230 Internal Control

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

Restriction of Use

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

Singer Lewak LLP

March 6, 2025

By:



Bradley G. Bingenheimer, Partner

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Stayton, Oregon (the "City") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 6, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

To the Honorable Mayor and City Council
City of Stayton
Stayton, Oregon
Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards*

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose

Singer Lewak LLP

March 6, 2025