



**CITY OF STAYTON**  
**FINANCIAL REPORT**  
**Year Ended June 30, 2025**

**CITY OF STAYTON**  
**OFFICERS AND MEMBERS OF THE GOVERNING BODY**  
**Year Ended June 30, 2025**

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**MAYOR**

Brian Quigley

**CITY COUNCIL \***

David Giglio

Ben McDonald

Jordan Ohrt

David Patty

Steve Sims

Ken Carey

Luke Bauer

\*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

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## 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, 2025, 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, 2025, 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**

During the year the City implemented the provisions of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. As discussed in Note 3, the City reported a restatement to beginning net position for governmental activities and proprietary funds. Our opinion is not modified with respect to this matter.

#### **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.

To the Mayor and City Council  
Council City of Stayton  
Stayton, Oregon  
Independent Auditor's Report  
December 29, 2025

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.

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  
December 29, 2025

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 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 December 29, 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*

December 29, 2025

By:

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

Bradley G. Bingenheimer, Partner

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**



# City of Stayton

## Administration • Finance

362 N. Third Avenue • Stayton, OR 97383  
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## 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, 2025 (FY25).

### Financial Highlights

- The City's overall net position (assets minus liabilities) increased by \$3.4m (6%) during FY25, after a similar increase in FY24. Business Type funds (see "Proprietary Funds" on the next page) increased by \$3.1m (8%) and Governmental Funds (defined on the next page) increased by \$.3m (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)

	FY25	FY24
Governmental Funds	\$19.3	\$19.0
Proprietary Funds	\$44.1	\$41.0
Total	\$63.4	\$60.0

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# City of Stayton

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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.

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# City of Stayton

## Administration • Finance

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**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.

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# City of Stayton

## Administration • Finance

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### Government-wide Financial Analysis

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

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
<b>Assets</b>						
Current and other assets	\$ 11,059	\$ 11,579	\$ 11,156	\$ 11,487	\$ 22,215	\$ 23,066
Capital assets	10,495	9,993	45,277	41,890	55,772	51,883
Total assets	21,554	21,572	56,433	53,377	77,987	74,949
Deferred outflows of resources	1,865	2,080	360	562	2,225	2,642
<b>Liabilities</b>						
Long-term liabilities	2,039	1,690	10,943	12,019	12,982	13,709
Other liabilities	578	1,304	1,565	829	2,143	2,133
Total liabilities	2,617	2,994	12,508	12,848	15,125	15,842
Deferred inflows of resources	1,463	1,626	192	86	1,655	1,712
<b>Net position:</b>						
Net investment in capital assets	10,495	9,993	34,547	30,241	45,042	40,234
Restricted for:						
Highways and streets	2,255	2,244	-	-	2,255	2,244
Swimming pool	102	177	-	-	102	177
Library	308	375	-	-	308	375
Parks	175	261	-	-	175	261
Capital projects	2,463	2,272	2,138	2,375	4,601	4,647
Debt service	-	-	518	517	518	517
Other purposes	78	73	42	30	120	103
Unrestricted	3,463	3,637	6,848	7,842	10,311	11,479
Total net position	\$ 19,339	\$ 19,032	\$ 44,093	\$ 41,005	\$ 63,432	\$ 60,037

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 \$63.4m in FY25. This represents a 5.6% increase, which follows an increase of 6.0% in FY24.

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.

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# City of Stayton

## Administration • Finance

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**Table 2 - Changes in Net Position**

(amounts in thousands)

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
<b>Revenues</b>						
Program revenues						
Charges for Services	\$ 560	\$ 456	\$ 7,334	\$ 6,688	\$ 7,894	\$ 7,144
Grants /Contributions	1,248	1,041	1,184	529	2,432	1,570
General revenue						
Property taxes	3,236	3,140	-	-	3,236	3,140
Other general revenues	2,072	2,162	512	529	2,584	2,691
Total revenue	<u>7,116</u>	<u>6,799</u>	<u>9,030</u>	<u>7,746</u>	<u>16,146</u>	<u>14,545</u>
<b>Expenses</b>						
Governmental activities						
General government	1,944	1,538	-	-	1,944	1,538
Public safety	2,784	2,610	-	-	2,784	2,610
Highways and streets	970	766	-	-	970	766
Culture and recreation	1,603	1,324	-	-	1,603	1,324
Business-type activities						
Water	-	-	1,664	1,654	1,664	1,654
Wastewater	-	-	2,952	2,774	2,952	2,774
Stormwater	-	-	546	477	546	477
Total expenses	<u>7,301</u>	<u>6,238</u>	<u>5,162</u>	<u>4,905</u>	<u>12,463</u>	<u>11,143</u>
Change in net position before transfers	(185)	561	3,868	2,841	3,683	3,402
Transfers	<u>724</u>	<u>713</u>	<u>(724)</u>	<u>(713)</u>	<u>-</u>	<u>-</u>
Change in net position	539	1,274	3,144	2,128	3,683	3,402
Net position - beginning	19,032	17,758	41,005	38,877	60,037	56,635
Change in accounting principle	(232)	-	(56)	-	(288)	-
Net position - ending	<u>\$ 19,339</u>	<u>\$ 19,032</u>	<u>\$ 44,093</u>	<u>\$ 41,005</u>	<u>\$ 63,432</u>	<u>\$ 60,037</u>

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 FY25, Governmental activities increased in net position by \$.3m or 2% (down from a 7.2% increase in FY24). Compared to FY24, total revenues were \$315k higher and total expenses were \$1,063k higher. Notably:

- FY25 Charges for Services increased by \$128k for the Street Fund due to increasing transportation fees.
- FY25 Grant/Contributions included a \$211k one-time grant received for Park Improvements.
- FY25 General Government expenses were higher by \$406k including \$194 higher for personnel costs and \$171k higher for a depreciation adjustment to our fixed assets.

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# City of Stayton

## Administration • Finance

362 N. Third Avenue • Stayton, OR 97383  
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- FY25 Public Safety expenses were higher by \$174k: Personnel costs up \$81k, new vehicle leases and upfitting up \$62k, and Insurance up \$36k.
- FY25 Streets expenses increased by \$204k due to higher payments for street maintenance.
- FY25 Culture & Recreation expenses were higher by \$279k: Personal Services at the Library, Pool, & Parks were up \$100k and the depreciation of assets was up \$172k.

*Business-type activities.* During FY25, Business-type activities increased in net position by \$3.1m or 8% (up from a 5.5% increase in FY24). Compared to FY24, total revenues were \$1,282k higher and total expenses were \$259k higher. Notably:

- FY25 Charges for Services were higher by \$646k due to an increase in rates for Wastewater and Stormwater.
- FY25 Grant income is higher by \$654k due to the ARPA grants for the Wastewater and Stormwater Funds being realized as we completed some projects.
- FY25 Expenses for Wastewater were \$178k higher due to \$87k in higher personnel costs and the change in value of the pension liability.

## 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 increased 2.3% (following an 8.8% decrease in FY24).

As of the end of the 2025 fiscal year, the City's total governmental funds ending balance is \$9.2m, equal to the previous year-end. The General Fund increase was offset by decreases to the balances for the Levy supported funds (Library, Parks, & Pool).

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**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 decreased \$1.2m as follows (in thousands):

	2025	2024
Water Fund	\$ 1,465	\$ 1,502
Wastewater Fund	4,092	5,591
Stormwater Fund	754	428
Total Enterprise Funds	\$ 6,312	\$ 7,521

## General Fund Budgetary Highlights

General Fund Revenues were less than budget by \$495k. Similar to last year, there were grants budgeted (\$535k total for the HUD Downtown grant and Safe Streets & Roads for All) that were not fully started, and they have been re-budgeted for next year. State Liquor distributions and Revenue Sharing were \$60k less than budgeted. Franchise fees revenues were \$136k more than budgeted.

General Fund expenditures, net of contingency, were \$936k under budget. The major factors are the delay in the HUD grant (\$408k), and savings in the Police Department (\$239k), Planning Department (\$137k), and Administration (\$121k).

There was one appropriation transfer during the year which increased the Mayor/City Council department by \$6,000 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, 2025, increased by \$4.8m to \$45m (net of accumulated depreciation).

During fiscal year 2025, the City acquired \$.8m of governmental assets, net of deletions and reclassifications, while incurring \$.5m in accumulated depreciation, net of deletions and reclassifications. Major acquisitions include new pavement on Ida St (\$457k) and a new parking lot near Riverfront Park (\$176).

During fiscal year 2025, the City acquired \$1.4m of business-type assets, net of deletions and reclassifications, while incurring \$1.1m in accumulated depreciation, net of deletions and reclassifications. Major projects included new water and wastewater pipes and the purchase of a van and camera equipment for TVing underground pipes.

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The following table summarizes the City's capital assets as of June 30, 2025, and 2024:

**Table 3 Capital Assets as of June 30th**  
(net of depreciation, in thousands)

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 1,795	\$ 1,795	\$ 1,933	\$ 1,933	\$ 3,728	\$ 3,728
Construction in progress	704	559	5,603	2,601	6,307	3,160
Infrastructure	3,937	3,418	35,692	35,826	39,629	39,244
Buildings and improvements	3,439	3,565	1,232	979	4,671	4,544
Equipment and vehicles	620	656	817	551	1,437	1,207
Capital assets, net of depreciation	<u>\$ 10,495</u>	<u>\$ 9,993</u>	<u>\$ 45,277</u>	<u>\$ 41,890</u>	<u>\$ 55,772</u>	<u>\$ 51,883</u>

Additional information on the City's capital assets can be found in note 6.

### Long-term debt

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

	Business-type Activities	
	2025	2024
Bonds payable	<u>\$ 10,433</u>	<u>\$ 11,291</u>

The current year's principal payments were \$0.9m. Additional information on the City's long-term debt can be found in note 11.

### Economic Factors and Next Year's Budgets and Rates

Economic factors don't seem to be having a meaningful positive or negative impact to the City. Inflation and interest rates are both near normal levels. Development and new housing rates are currently low, but we do project them to increase in the next few years. Most vacant positions are being filled in a timely manner, but the new City Engineer position remains vacant (longer than 1 year). New tariffs have increased some costs but not significantly. The City continues to apply for grants at the Federal and State levels. Additional outside funding is necessary to fund capital improvements needed for our aging infrastructure.

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The FY26 budget includes the continuation of existing capital projects as well as starting more projects to manage and improve the City's infrastructure. The City Council also passed a resolution to allocate 15% of the City's franchise revenues to the Street Fund which reduces our discretionary budget. A new position with the title of Infrastructure Planning & Asset Management Coordinator was added to Public Works Administration. Prioritizing infrastructure is necessary for the functions and services of our community and to meet City Council goals. The City has transitioned to biennial budgets with the first covering July 1, 2025 through June 30, 2027. The budget is higher per year than in the past because of possible grants and SDC's that may be received and spent and due to increases to the contingency budgets to deal with the uncertainty of a two-year budget. Transfers from one fund to another are also greatly increased and they are effectively "double counted" budget requirements (once as a transfer and once as an expense).

Similar to the previous year, the City had modest increases to the rates for Water, Wastewater, and Stormwater. Similar increases are likely next year as well. The Transportation fee was increased aggressively (by 150%). For residents, this increase amounted to \$6 per month. These adjustments follow the recommendations of a consulting firm that completed a study of our rates. The increases are necessary to ensure that revenues are sufficient to operate and maintain the infrastructure both now and in the future.

The City has a significant known risk concerning the Detroit Dam Deep Drawdown although the risks seem to be lessening recently. 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. The City is preparing for possible water quality problems due to planned annual releases of sediment from the Detroit Reservoir. The drawdown was postponed from the Fall of 2025 to the Fall of 2026 and the USACE has proposed gradual annual drawdowns instead of an immediate large drawdown. 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 stop paying their utility bills (thought of as "Water bills"). Also, if the City's water filters all fail, we will have around \$10m in additional costs to recover and rebuild.

Another risk is the Recreation Levy expiring June 30, 2026, that helps support our Parks and Pool funds. A proposed new Recreation Levy failed in November 2025, and a new proposed Recreation Levy will likely be put to the voters in May 2025. Without proper funding, the City will likely reduce recreation services dramatically.

*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](mailto:citygovernment@staytonoregon.gov) or by stopping by or writing to the City at 362 N. 3<sup>rd</sup> Avenue, Stayton, 97383.

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## **BASIC FINANCIAL STATEMENTS**

**CITY OF STAYTON**  
**STATEMENT OF NET POSITION**  
**June 30, 2025**

	Governmental Activities	Business-type Activities	Totals
<b>Assets</b>			
Cash and cash equivalents	\$ 9,149,242	\$ 9,647,471	\$ 18,796,713
Internal balances	48,934	(48,934)	-
Receivables, net	607,354	639,397	1,246,751
Inventory	34,947	605,517	640,464
Prepaid items	-	142,000	142,000
Net pension asset	208,925	128,954	337,879
Net other postemployment benefit asset	68,976	41,800	110,776
Lease receivable	940,852	-	940,852
Capital assets:			
Capital assets, nondepreciable	2,499,167	7,535,839	10,035,006
Capital assets, net of accumulated depreciation	7,995,323	37,741,199	45,736,522
<b>Total assets</b>	<u>21,553,720</u>	<u>56,433,243</u>	<u>77,986,963</u>
<b>Deferred outflows of resources</b>			
Refunded debt charges	-	23,096	23,096
Pension related items	1,783,004	306,395	2,089,399
Other postemployment benefit related items	82,071	30,915	112,986
<b>Total deferred outflows of resources</b>	<u>1,865,075</u>	<u>360,406</u>	<u>2,225,481</u>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	528,942	1,065,310	1,594,252
Accrued interest payable	-	168,917	168,917
Unearned revenue	20,650	200,438	221,088
Deposits	28,983	130,107	159,090
Long-term liabilities:			
Due within one year	392,637	1,072,980	1,465,617
Due in more than one year	1,646,442	9,870,005	11,516,447
<b>Total liabilities</b>	<u>2,617,654</u>	<u>12,507,757</u>	<u>15,125,411</u>
<b>Deferred inflows of resources</b>			
Leases	841,793	-	841,793
Pension related items	512,153	128,598	640,751
Other postemployment benefit related items	108,629	64,070	172,699
<b>Total deferred inflows of resources</b>	<u>1,462,575</u>	<u>192,668</u>	<u>1,655,243</u>
<b>Net position</b>			
Net investment in capital assets	10,494,490	34,547,574	45,042,064
Restricted for:			
Highways and streets	2,255,056	-	2,255,056
Swimming pool	101,500	-	101,500
Library	308,369	-	308,369
Parks	174,771	-	174,771
Capital projects	2,462,956	2,138,505	4,601,461
Debt service	-	517,490	517,490
OPEB asset	68,976	41,800	110,776
Other purposes	9,032	-	9,032
Unrestricted	3,463,416	6,847,855	10,311,271
<b>Total net position</b>	<u>\$ 19,338,566</u>	<u>\$ 44,093,224</u>	<u>\$ 63,431,790</u>

See notes to financial statements

**CITY OF STAYTON**  
**STATEMENT OF ACTIVITIES**  
Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
<b>Governmental activities:</b>						
General government	\$ 1,944,490	\$ 20,519	\$ -	\$ 860	\$ (1,923,111)	\$ -
Public safety	2,783,525	87,072	6,068	-	(2,690,385)	-
Highways and streets	969,687	315,690	770,244	90,410	206,657	-
Culture and recreation	1,603,250	137,329	367,015	13,249	(1,085,657)	-
Total governmental activities	7,300,952	560,610	1,143,327	104,519	(5,492,496)	-
<b>Business-type activities:</b>						
Water	1,663,814	2,319,500	-	132,738	-	788,424
Wastewater	2,951,780	4,306,662	-	728,610	-	2,083,492
Stormwater	545,960	708,040	-	322,803	-	484,883
Total business-type activities	5,161,554	7,334,202	-	1,184,151	-	3,356,799
<b>Totals</b>	<b>\$ 12,462,506</b>	<b>\$ 7,894,812</b>	<b>\$ 1,143,327</b>	<b>\$ 1,288,670</b>	<b>(5,492,496)</b>	<b>3,356,799</b>
<b>General revenues:</b>						
Taxes levied for:						
General purposes					2,554,326	-
Specific purposes					682,318	-
Franchise fees					994,185	-
Fuel taxes					176,600	-
Grants and contributions not restricted to specific programs					329,338	-
Rents					60,427	-
Unrestricted investment earnings					463,162	482,094
Miscellaneous					47,020	28,969
<b>Transfers</b>					723,836	(723,836)
Total general revenues and transfers					6,031,212	(212,773)
Change in net position					538,716	3,144,026
Net position - beginning, as previously reported					19,032,370	41,005,290
Change in accounting principle					(232,520)	(56,092)
Net position - beginning, as restated					18,799,850	40,949,198
<b>Net position - ending</b>					<b>\$ 19,338,566</b>	<b>\$ 44,093,224</b>
						<b>\$ 63,431,790</b>

See notes to financial statements

**CITY OF STAYTON**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2025**

	General	Street	Total Nonmajor Funds	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 2,872,680	\$ 2,286,648	\$ 3,989,914	\$ 9,149,242
Receivables	461,141	119,552	26,661	607,354
Lease receivable	940,852	-	-	940,852
Due from other funds	23,000	-	-	23,000
<b>Total assets</b>	<b>\$ 4,297,673</b>	<b>\$ 2,406,200</b>	<b>\$ 4,016,575</b>	<b>\$ 10,720,448</b>
<b>Liabilities, deferred inflows and fund balances</b>				
Liabilities				
Accounts payable and accrued liabilities	\$ 182,759	\$ 130,494	\$ 215,689	\$ 528,942
Unearned revenue	-	20,650	-	20,650
Consumer deposits	28,983	-	-	28,983
<b>Total liabilities</b>	<b>211,742</b>	<b>151,144</b>	<b>215,689</b>	<b>578,575</b>
Deferred inflows of resources				
Leases	841,793	-	-	841,793
Unavailable revenue	86,345	-	19,551	105,896
<b>Total deferred inflows of resources</b>	<b>928,138</b>	<b>-</b>	<b>19,551</b>	<b>947,689</b>
Fund balances				
Nonspendable	99,059	-	-	99,059
Restricted for:				
Highways and streets	-	2,255,056	-	2,255,056
Library	-	-	299,796	299,796
Parks	-	-	169,057	169,057
Swimming pool	-	-	96,236	96,236
Capital projects	-	-	2,462,956	2,462,956
Other purposes	9,032	-	-	9,032
Committed for:				
Capital projects	-	-	753,290	753,290
Unassigned	3,049,702	-	-	3,049,702
<b>Total fund balances</b>	<b>3,157,793</b>	<b>2,255,056</b>	<b>3,781,335</b>	<b>9,194,184</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 4,297,673</b>	<b>\$ 2,406,200</b>	<b>\$ 4,016,575</b>	<b>\$ 10,720,448</b>

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, 2025**

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Fund balances - total governmental funds	\$ 9,194,184
<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	34,947
The statement of net position reports a net pension asset for its participation in the retirement plan and other postemployment benefit plan for employees of City of Stayton	208,925
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	68,976
Other long-term assets are not available for current period expenditures and, therefore, are reported as unavailable revenue in the funds	105,896
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	10,494,490
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	1,783,004
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	82,071
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	(512,153)
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	(108,629)
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	25,934
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>(2,039,079)</u>
<b>Net position of governmental activities</b>	<b><u>\$ 19,338,566</u></b>

See notes to financial statements

**CITY OF STAYTON**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2025**

	<b>General</b>	<b>Street</b>	<b>Total Nonmajor Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>				
Property taxes	\$ 2,534,506	\$ -	\$ 682,318	\$ 3,216,824
Franchise fees	994,185	-	-	994,185
Licenses, permits and fees	20,544	-	722	21,266
Fines and forfeitures	81,888	-	6,711	88,599
Charges for services	7,459	315,690	129,896	453,045
Donations	-	-	34,500	34,500
System development charges	-	-	94,348	94,348
Intergovernmental	317,406	770,244	350,515	1,438,165
Rent	54,207	-	6,220	60,427
Fuel taxes	-	176,600	-	176,600
Interest	167,370	103,737	184,706	455,813
Miscellaneous	36,653	8,596	1,253	46,502
Total revenues	<u>4,214,218</u>	<u>1,374,867</u>	<u>1,491,189</u>	<u>7,080,274</u>
<b>Expenditures</b>				
Current				
General government	1,885,046	-	14,700	1,899,746
Public safety	2,708,728	-	-	2,708,728
Highways and streets	107,872	441,363	-	549,235
Culture and recreation	50,724	-	1,339,462	1,390,186
Capital outlay	73,445	479,016	436,489	988,950
Total expenditures	<u>4,825,815</u>	<u>920,379</u>	<u>1,790,651</u>	<u>7,536,845</u>
Excess (deficiency) of revenues over expenditures	<u>(611,597)</u>	<u>454,488</u>	<u>(299,462)</u>	<u>(456,571)</u>
<b>Other financing sources (uses)</b>				
Transfers in	1,166,400	4,538	474,993	1,645,931
Transfers out	(402,900)	(447,600)	(342,834)	(1,193,334)
Total other financing sources (uses)	<u>763,500</u>	<u>(443,062)</u>	<u>132,159</u>	<u>452,597</u>
Net change in fund balances	151,903	11,426	(167,303)	(3,974)
Fund balances at beginning of year	<u>3,005,890</u>	<u>2,243,630</u>	<u>3,948,638</u>	<u>9,198,158</u>
<b>Fund balances at end of year</b>	<b><u>\$ 3,157,793</u></b>	<b><u>\$ 2,255,056</u></b>	<b><u>\$ 3,781,335</u></b>	<b><u>\$ 9,194,184</u></b>

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, 2025**

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Net change in fund balances - total governmental funds	\$	(3,974)
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*Amounts reported for governmental activities in the  
Statement of Activities are different because of the following*

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 assets	988,950		
Depreciation	<u>(487,728)</u>		501,222

Governmental funds report the acquisition of inventory supplies as expenditures while governmental activities report them as inventory on the Statement of Net Position		(16,161)
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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		55,370
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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		2,459
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		17,520
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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		22,914
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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>(40,634)</u>

<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u>538,716</u></b>
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See notes to financial statements

**CITY OF STAYTON**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**June 30, 2025**

	Enterprise Funds				
	Water	Wastewater	Stormwater	Total Enterprise Funds	Internal Service Fund
<b>Assets</b>					
Current assets					
Cash and cash equivalents	\$ 2,276,781	\$ 5,533,909	\$ 1,287,224	\$ 9,097,914	\$ 549,557
Receivables, net	208,240	368,508	62,649	639,397	-
Inventory	111,999	493,518	-	605,517	-
Prepaid items	142,000	-	-	142,000	-
Total current assets	2,739,020	6,395,935	1,349,873	10,484,828	549,557
Net pension asset	34,896	52,128	4,388	91,412	37,542
Net other postemployment benefits asset	10,263	16,497	1,441	28,201	13,599
Capital assets					
Capital assets, nondepreciable	95,570	5,754,557	1,685,712	7,535,839	-
Capital assets, net of accumulated depreciation	13,015,623	19,657,568	5,068,008	37,741,199	-
Total capital assets	13,111,193	25,412,125	6,753,720	45,277,038	-
Total assets	15,895,372	31,876,685	8,109,422	55,881,479	600,698
<b>Deferred outflows of resources</b>					
Refunded debt charges	23,096	-	-	23,096	-
Pension related items	81,783	85,619	7,204	174,606	131,789
Other postemployment benefit related items	7,775	9,524	696	17,995	12,920
Total deferred outflows of resources	112,654	95,143	7,900	215,697	144,709
<b>Liabilities</b>					
Current liabilities					
Accounts payable and accrued liabilities	30,621	825,132	70,214	925,967	139,343
Accrued interest payable	6,258	156,112	6,547	168,917	-
Unearned revenue	95,763	-	104,675	200,438	-
Consumer deposits	66,074	64,033	-	130,107	-
Due to other funds	-	-	23,000	23,000	-
Compensated absences	43,253	43,297	-	86,550	40,731
Bonds payable	291,414	622,653	31,632	945,699	-
Total current liabilities	533,383	1,711,227	236,068	2,480,678	180,074
Noncurrent liabilities					
Compensated absences	4,826	5,193	-	10,019	2,828
Bonds payable	1,932,072	7,327,579	524,114	9,783,765	-
Net other postemployment benefits liability	18,436	25,373	1,681	43,809	27,903
Total noncurrent liabilities	1,955,334	7,358,145	525,795	9,313,479	30,731
Total liabilities	2,488,717	9,069,372	761,863	21,631,750	241,536
<b>Deferred inflows of resources</b>					
Pension related items	23,796	67,185	7,370	98,351	30,247
Other postemployment benefit related items	16,611	25,323	2,058	43,992	20,078
Total deferred inflows of resources	40,407	92,508	9,428	142,343	50,325
<b>Net position</b>					
Net investment in capital assets	10,887,707	17,461,893	6,197,974	34,547,574	-
Restricted for:					
Capital projects	1,080,837	669,797	387,871	2,138,505	-
Debt service	-	517,490	-	517,490	-
Net pension and OPEB assets	45,159	68,625	5,829	119,613	51,141
Unrestricted	1,465,199	4,092,143	754,357	6,311,699	433,136
Total net position	\$ 13,478,902	\$ 22,809,948	\$ 7,346,031	43,634,881	\$ 484,277
Adjustment to reflect internal service fund balances related to business-type activities				458,343	
<b>Net position of the business-type activities</b>				<b>\$ 44,093,224</b>	

See notes to financial statements

**CITY OF STAYTON**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**Year Ended June 30, 2025**

	<b>Enterprise Funds</b>			<b>Totals</b>	<b>Internal</b>
	<b>Water</b>	<b>Wastewater</b>	<b>Stormwater</b>	<b>Enterprise Funds</b>	<b>Service Funds</b>
<b>Operating revenues</b>					
Charges for services	\$ 2,319,500	\$ 4,306,662	\$ 708,040	\$ 7,334,202	\$ -
Licenses and permits	-	-	-	-	30,891
Total operating revenues	<u>2,319,500</u>	<u>4,306,662</u>	<u>708,040</u>	<u>7,334,202</u>	<u>30,891</u>
<b>Operating expenses</b>					
Personnel services	389,706	585,212	49,812	1,024,730	398,088
Materials and services	682,386	1,376,966	236,687	2,296,039	374,552
Depreciation	338,640	586,012	132,135	1,056,787	-
Total operating expenses	<u>1,410,732</u>	<u>2,548,190</u>	<u>418,634</u>	<u>4,377,556</u>	<u>772,640</u>
Operating income (loss)	<u>908,768</u>	<u>1,758,472</u>	<u>289,406</u>	<u>2,956,646</u>	<u>(741,749)</u>
<b>Nonoperating revenues (expenses)</b>					
Grants	13,165	-	-	13,165	-
Rents	-	621,222	289,348	910,570	-
Interest income	114,854	297,104	56,168	468,126	21,317
Miscellaneous	9,154	18,833	-	27,987	116
Debt service	-	-	-	-	-
Interest expense	(51,701)	(205,902)	(20,118)	(277,721)	-
Total nonoperating revenue (expenses)	<u>85,472</u>	<u>731,257</u>	<u>325,398</u>	<u>1,142,127</u>	<u>21,433</u>
Income (loss) before capital contributions and transfers	<u>994,240</u>	<u>2,489,729</u>	<u>614,804</u>	<u>4,098,773</u>	<u>(720,316)</u>
Capital contributions	111,882	99,837	29,361	241,080	-
Transfers in	-	-	-	-	900,872
Transfers out	(472,500)	(603,336)	(238,300)	(1,314,136)	(39,333)
Change in net position	<u>633,622</u>	<u>1,986,230</u>	<u>405,865</u>	<u>3,025,717</u>	<u>141,223</u>
Net position - beginning as previously reported	12,869,006	20,845,189	6,940,166	40,654,361	353,949
Change in accounting principle	(23,726)	(21,471)	-	(45,197)	(10,895)
Net position - beginning, as restated	<u>12,845,280</u>	<u>20,823,718</u>	<u>6,940,166</u>	<u>40,609,164</u>	<u>343,054</u>
<b>Net position - ending</b>	<b><u>\$ 13,478,902</u></b>	<b><u>\$ 22,809,948</u></b>	<b><u>\$ 7,346,031</u></b>	<b><u>\$ 43,634,881</u></b>	<b><u>\$ 484,277</u></b>

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

Change in net position: \$ 3,025,717

Adjustment for the net effect of the current year  
activity between the internal service funds and  
the enterprise funds 118,309

**Change in net position of the business-type activities \$ 3,144,026**

See notes to financial statements

**CITY OF STAYTON**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**Year Ended June 30, 2025**

	Enterprise Funds			Total Enterprise Funds	Internal Service Funds
	Water	Wastewater	Stormwater		
<b>Cash flows from operating activities</b>					
Receipts from customers	\$ 2,309,009	\$ 4,270,926	\$ 795,723	\$ 7,375,658	\$ 30,891
Payments to suppliers	(808,314)	(757,177)	(199,341)	(1,764,832)	(319,222)
Payments to employees	(401,229)	(599,361)	(50,449)	(1,051,039)	(419,113)
Net cash provided by (used in) operating activities	1,099,466	2,914,388	545,933	4,559,787	(707,444)
<b>Cash flows from noncapital financing activities</b>					
Payments on interfund loan	-	-	(23,000)	(23,000)	-
Grants	-	621,222	-	621,222	-
Transfers in	-	-	-	-	900,872
Transfers out	(472,500)	(590,200)	(238,300)	(1,301,000)	(39,333)
Net cash provided by (used in) noncapital financing activities	(472,500)	31,022	(261,300)	(702,778)	861,539
<b>Cash flows from capital and related financing activities</b>					
Transfers out	-	(13,136)	-	(13,136)	-
System development charges received	18,090	13,477	29,361	60,928	-
Other	9,154	18,833	-	27,987	116
Grants	-	-	289,348	289,348	-
Acquisition of capital assets	(609,050)	(3,359,051)	(295,194)	(4,263,295)	-
Principal paid on long-term obligations	(245,000)	(582,356)	(30,585)	(857,941)	-
Interest paid on long-term obligations	(85,100)	(236,541)	(20,497)	(342,138)	-
Net cash provided by (used in) capital and related financing activities	(911,906)	(4,158,774)	(27,567)	(5,098,247)	116
<b>Cash flows from investing activities</b>					
Interest on investments	114,854	297,104	56,168	468,126	21,317
Net cash provided by (used in) investing activities	114,854	297,104	56,168	468,126	21,317
Net increase (decrease) in cash and cash equivalents	(170,086)	(916,260)	313,234	(773,112)	175,528
Cash and cash equivalents - beginning of year	2,446,867	6,450,169	973,990	9,871,026	374,029
<b>Cash and cash equivalents - end of year</b>	<b>2,276,781</b>	<b>\$ 5,533,909</b>	<b>\$ 1,287,224</b>	<b>\$ 9,097,914</b>	<b>\$ 549,557</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>					
Operating income (loss)	\$ 908,768	\$ 1,758,472	\$ 289,406	\$ 2,956,646	\$ (741,749)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	338,640	586,012	132,135	1,056,787	-
(Increase) decrease in assets and deferred outflows					
Receivables, net	(15,133)	(38,865)	(16,992)	(70,990)	-
Inventories	3,507	83,329	-	86,836	-
Prepaid items	(142,000)	-	-	(142,000)	-
Net pension asset	(34,896)	(52,128)	(4,388)	(91,412)	(37,542)
Net other postemployment benefits asset	(3,216)	(4,804)	(404)	(8,424)	(3,459)
Deferred outflows - pension related items	48,461	72,392	6,093	126,946	52,136
Deferred outflows - other postemployment benefit related items	5,128	7,661	645	13,434	5,517
Increase (decrease) in liabilities and deferred inflows					
Accounts payable and accrued liabilities	12,565	536,460	37,346	586,371	55,330
Consumer deposits	4,642	3,129	104,675	112,446	-
Compensated absences payable	2,627	(3,316)	-	(689)	8,714
Net pension liability	(46,556)	(59,242)	(4,712)	(110,510)	(64,603)
Net other postemployment benefits liability	(12,026)	(17,965)	(1,512)	(31,503)	(12,938)
Deferred inflows - pension related items	19,252	28,758	2,421	50,431	20,711
Deferred inflows - other postemployment benefit related items	9,703	14,495	1,220	25,418	10,439
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 1,099,466</b>	<b>\$ 2,914,388</b>	<b>\$ 545,933</b>	<b>\$ 4,559,787</b>	<b>\$ (707,444)</b>

See notes to financial statements

**CITY OF STAYTON**  
**STATEMENT OF NET POSITION**  
**FIDUCIARY FUNDS**  
**June 30, 2025**

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	<u>Pension Trusts</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 289,290
Receivables	44,184
Investments, at fair value	
Mutual funds	<u>12,687,462</u>
 Total assets	 <u>13,020,936</u>
 <b>Net position</b>	
Net position held in trust for:	
Pension benefits	12,628,144
Other postemployment benefits	<u>392,792</u>
 Total net position	 <u><u>\$ 13,020,936</u></u>

See notes to financial statements

**CITY OF STAYTON**  
**STATEMENT OF CHANGES IN NET POSITION**  
**FIDUCIARY FUNDS**  
**Year Ended June 30, 2025**

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	<u><b>Pension Trusts</b></u>
<b>Additions</b>	
Contributions	\$ 542,142
Investment earnings	<u>1,289,392</u>
Total additions	<u>1,831,534</u>
<b>Deductions</b>	
Benefits	<u>452,514</u>
Total deductions	<u>452,514</u>
Change in net position	1,379,020
Net position - beginning of year	<u>11,641,916</u>
<b>Net position - end of year</b>	<u><b>\$ 13,020,936</b></u>

See notes to financial statements



# **CITY OF STAYTON**

## **NOTES TO THE FINANCIAL STATEMENTS**

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### **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.

**CITY OF STAYTON**  
**NOTES TO THE FINANCIAL STATEMENTS**

---

**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).
- *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.

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.

**CITY OF STAYTON**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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**

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**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

**CITY OF STAYTON**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**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. Vacation leave is paid out if termination occurs after an initial six (6) month trial period. In accordance with GASB Statement No. 101, *Compensated Absences*, a liability for leave that is more likely than not to be taken is accrued in the government-wide and proprietary fund statements.

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.

## CITY OF STAYTON

### NOTES TO THE FINANCIAL STATEMENTS

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#### NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Pensions – Retirement Plan for Employees of the City of Stayton (continued)

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.

##### 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.

**CITY OF STAYTON**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Net position (continued)

**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.”

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.



**CITY OF STAYTON**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

**NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF BEGINNING BALANCES**

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement establishes a unified model for recognizing and measuring liabilities related to compensated absences, enhancing comparability and relevance across governmental entities. The measurement of the liability is based on the employee's pay rate as of the financial statement date. Salary-related payments directly and incrementally associated with leave payments are included in the liability measurement. Certain types of leave—such as parental leave, military leave, and jury duty—are excluded from recognition until the leave commences.

Adoption of the standard resulted in the following restatements of net position:

	Proprietary Funds			Governmental Activities	Business-type Activities
	Water	Sewer	Internal Service		
June 30, 2024, as previously reported	\$ 12,869,006	\$ 20,102,778	\$ 2,231,592	\$ 19,029,350	\$ 41,008,310
Change in accounting principle	(23,726)	(21,471)	(10,895)	(232,520)	(56,092)
June 30, 2024, as restated	<u>\$ 12,845,280</u>	<u>\$ 20,081,307</u>	<u>\$ 2,220,697</u>	<u>\$ 18,796,830</u>	<u>\$ 40,952,218</u>

**CITY OF STAYTON**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS**

The City's cash, cash equivalents and investments at June 30, 2025 are as follows:

Cash and cash equivalents	
Deposits with financial institutions	\$ 44,699
State of Oregon Local Government Investment Pool	18,747,544
Money markets	293,160
Cash on hand	<u>600</u>
Total cash and cash equivalents	19,086,003
Investments	
Mutual funds	<u>12,687,462</u>
Total cash, cash equivalents and investments	<u>\$ 31,773,465</u>

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

Governmental activities	
Cash and cash equivalents	\$ 9,149,242
Business-type activities	
Cash and cash equivalents	<u>9,647,471</u>
Total cash and cash equivalents - government-wide statement of net position	<u>18,796,713</u>
Fiduciary funds	
Cash and cash equivalents	289,290
Investments	<u>12,687,462</u>
Total cash and cash equivalents - fiduciary funds	<u>12,976,752</u>
	<u>\$ 31,773,465</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**

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**NOTE 4 – 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, 2025, 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>\$ 12,687,462</u>	100%	N/A

**CITY OF STAYTON**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

*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.

*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 5 – RECEIVABLES**

The City's receivables at June 30, 2025, are shown below:

	Governmental Activities / Funds				Business-type Activities / Proprietary Funds			
	General	Street	Total Nonmajor	Totals	Water	Wastewater	Stormwater	Totals
User charges	\$ -	\$ 41,234	\$ -	\$ 41,234	\$ 217,048	\$ 368,508	\$ 62,649	\$ 648,205
Property taxes	105,731	-	26,420	132,151	-	-	-	-
Accounts	359,913	78,318	241	438,472	-	-	-	-
Allowance for doubtful accounts	(4,503)	-	-	(4,503)	(8,808)	-	-	(8,808)
	<u>\$ 461,141</u>	<u>\$ 119,552</u>	<u>\$ 26,661</u>	<u>\$ 607,354</u>	<u>\$ 208,240</u>	<u>\$ 368,508</u>	<u>\$ 62,649</u>	<u>\$ 639,397</u>

**CITY OF STAYTON**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 6 – CAPITAL ASSETS**

Governmental activities

For the year ended June 30, 2025, capital asset activity for the governmental activities was as follows:

	Balances July 1, 2024	Additions	Deletions and Reclassifications	Balances June 30, 2025
<i>Governmental activities</i>				
Capital assets not being depreciated				
Land	\$ 1,795,206	\$ -	\$ -	\$ 1,795,206
Construction in progress	558,901	160,402	(15,342)	703,961
Total capital assets not being depreciated	<u>2,354,107</u>	<u>160,402</u>	<u>(15,342)</u>	<u>2,499,167</u>
Capital assets being depreciated				
Infrastructure	8,766,232	667,555	15,342	9,449,129
Buildings and improvements	7,847,299	73,445	-	7,920,744
Equipment and vehicles	1,630,539	87,548	-	1,718,087
Total capital assets being depreciated	<u>18,244,071</u>	<u>828,548</u>	<u>15,342</u>	<u>19,087,961</u>
Less accumulated depreciation for:				
Infrastructure	5,347,659	164,915	-	5,512,574
Buildings and improvements	4,281,703	199,865	-	4,481,568
Equipment and vehicles	975,548	122,948	-	1,098,496
Total accumulated depreciation	<u>10,604,910</u>	<u>487,728</u>	<u>-</u>	<u>11,092,638</u>
Total capital assets being depreciated, net	<u>7,639,161</u>	<u>340,820</u>	<u>15,342</u>	<u>7,995,323</u>
Governmental activities capital assets, net	<u>\$ 9,993,268</u>	<u>\$ 501,222</u>	<u>\$ -</u>	<u>\$ 10,494,490</u>

Governmental activities

Depreciation expense was charged to governmental activities as follows:

<i>Governmental activities</i>	
General government	\$ 37,249
Public safety	57,373
Highways and streets	208,269
Culture and recreation	<u>184,837</u>
Total depreciation expense - governmental activities	<u>\$ 487,728</u>

**CITY OF STAYTON**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 6 – CAPITAL ASSETS (Continued)**

Business-type activities

For the year ended June 30, 2025, capital asset activity for the business-type activities was as follows:

	Balances July 1, 2024	Additions	Deletions and Reclassifications	Balances June 30, 2025
<i>Business-type activities</i>				
Capital assets not being depreciated				
Land	\$ 1,932,869	\$ -	\$ -	\$ 1,932,869
Construction in progress	2,601,284	3,001,686	-	5,602,970
Total capital assets not being depreciated	4,534,153	3,001,686	-	7,535,839
Capital assets being depreciated				
Infrastructure	52,683,755	750,918	-	53,434,673
Buildings and improvements	2,894,765	337,309	-	3,232,074
Equipment and vehicles	3,062,777	353,534	-	3,416,311
Total capital assets being depreciated	58,641,297	1,441,761	-	60,083,058
Less accumulated depreciation for:				
Infrastructure	16,856,882	885,279	-	17,742,161
Buildings and improvements	1,915,883	84,669	-	2,000,552
Equipment and vehicles	2,512,307	86,839	-	2,599,146
Total accumulated depreciation	21,285,072	1,056,787	-	22,341,859
Total capital assets being depreciated, net	37,356,225	384,974	-	37,741,199
Business-type activities capital assets, net	\$ 41,890,378	\$ 3,386,660	\$ -	\$ 45,277,038

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

<i>Business-type activities</i>	
Water	\$ 338,640
Wastewater	586,012
Stormwater	132,135
Total depreciation expense - business-type activities	\$ 1,056,787

**NOTE 7 – 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, 2025 was \$41,915.

**CITY OF STAYTON**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 8 – 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, 2025, 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 9 – 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, 2025, 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	\$ 82,753	\$ 19,551	\$ 102,304
Accounts	<u>3,592</u>	<u>-</u>	<u>3,592</u>
Total	<u>\$ 86,345</u>	<u>\$ 19,551</u>	<u>\$ 105,896</u>

**NOTE 10 – INTERFUND TRANSACTIONS AND BALANCES**

The interfund transfers during the year ended June 30, 2025, were as follows:

	Transfers in				
	General	Street	Nonmajor governmental	Internal Service	Total
Transfers out:					
General	\$ -	\$ -	\$ 402,900	\$ -	\$ 402,900
Street	211,700	-	-	235,900	447,600
Nonmajor governmental	244,000	4,538	32,760	61,536	342,834
Water operations	237,700	-	-	234,800	472,500
Wastewater operations	359,700	-	-	243,636	603,336
Stormwater	113,300	-	-	125,000	238,300
Internal service	<u>-</u>	<u>-</u>	<u>39,333</u>	<u>-</u>	<u>39,333</u>
	<u>\$ 1,166,400</u>	<u>\$ 4,538</u>	<u>\$ 474,993</u>	<u>\$ 900,872</u>	<u>\$ 2,546,803</u>

**CITY OF STAYTON**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 10 – 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.
- \$402,900 was transferred from the General fund to the Parks, Library, and Pool funds to subsidize operations.
- \$900,872 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, 2025, the interfund loan balance is \$23,000.

**NOTE 11 – LONG-TERM OBLIGATIONS**

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

	Outstanding July 1, 2024 (restated)	Additions	Reductions	Outstanding June 30, 2025	Due Within One Year
<u>Governmental activities</u>					
<i>Other long-term obligations</i>					
Compensated absences	\$ 410,230	\$ 450,864	\$ 410,230	\$ 450,864	\$ 392,637
Net pension liability	1,228,648	148,190	-	1,376,838	-
Net other postemployment benefit liability	283,379	-	72,002	211,377	-
Total long-term obligations - governmental activities	<u>\$ 1,922,257</u>	<u>\$ 599,054</u>	<u>\$ 482,232</u>	<u>\$ 2,039,079</u>	<u>\$ 392,637</u>



**CITY OF STAYTON**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 11 – LONG-TERM OBLIGATIONS (Continued)**

	Outstanding July 1, 2024 (restated)	Additions	Reductions	Outstanding June 30, 2025	Due Within One Year
<u>Business-type activities</u>					
<i>Long-term debt</i>					
General obligation bonds:					
2013 Full Faith and Credit Refunding	\$ 1,615,000	\$ -	\$ 425,000	\$ 1,190,000	\$ 435,000
2016 Full Faith and Credit Refunding	2,250,000	-	245,000	2,005,000	255,000
2019 Full Faith and Credit	586,331	-	30,585	555,746	31,632
Direct borrowing - revenue bond:					
USDA Sewer Revenue Bonds	6,839,676	-	157,356	6,682,320	161,683
Premium	358,782	-	62,384	296,398	62,384
Total long-term debt	11,649,789	-	920,325	10,729,464	945,699
<i>Other long-term obligations</i>					
Compensated absences	132,103	140,128	132,103	140,128	127,281
Net pension liability	175,113	-	175,113	-	-
Net other postemployment benefit liability	117,834	-	44,441	73,393	-
Total long-term obligations - business-type activities	<u>\$ 12,074,839</u>	<u>\$ 140,128</u>	<u>\$ 1,271,982</u>	<u>\$ 10,942,985</u>	<u>\$ 1,072,980</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 11 – LONG-TERM OBLIGATIONS (Continued)**

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

As of June 30, 2025, 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
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	-	-	300,000	31,000	36,184	11,492
2031-35	-	-	625,000	25,100	200,345	40,478
2036-40	-	-	-	-	186,372	11,202
2041-45	-	-	-	-	(320)	-
2046-50	-	-	-	-	-	-
2051-55	-	-	-	-	-	-
2056-60	-	-	-	-	-	-
	<u>\$ 1,190,000</u>	<u>\$ 67,650</u>	<u>\$ 2,005,000</u>	<u>\$ 292,500</u>	<u>\$ 555,746</u>	<u>\$ 119,278</u>

	USDA Sewer		Unamortized			
Fiscal	Revenue Bonds		Premium	Totals		
Year	Principal	Interest	Amortization	Principal	Interest	
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	180,216	165,231	36,414	552,814	207,723	
2031-35	978,199	749,036	36,418	1,839,962	814,614	
2036-40	1,120,305	606,930	-	1,306,677	618,132	
2041-45	1,283,056	444,179	-	1,282,736	444,179	
2046-50	1,469,450	257,785	-	1,469,450	257,785	
2051-55	977,191	54,095	-	977,191	54,095	
2056-60	-	-	-	-	-	
	<u>\$ 6,682,320</u>	<u>\$ 2,985,142</u>	<u>\$ 296,398</u>	<u>\$ 10,729,464</u>	<u>\$ 3,464,570</u>	

Other long-term obligations

*Compensated absences*

Compensated leave amounts are accrued in accordance with GASB Statement No. 101, *Compensated Absences*, which requires a liability to be recorded for leave that is more likely than not to be taken.

**CITY OF STAYTON**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 11 – 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	\$ 1,376,838	\$ 211,377
Business-type Activities	-	73,393
Total	<u>\$ 1,376,838</u>	<u>\$ 284,770</u>
Oregon Public Employees Retirement System	\$ 1,376,838	\$ -
Implicit Subsidy	-	284,770
Total	<u>\$ 1,376,838</u>	<u>\$ 284,770</u>

**NOTE 12 – DEFINED BENEFIT PENSION PLAN – OPERS**

Plan Description

Police 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/2024-ACFR.pdf>

Description of benefit terms

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

*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.

**NOTE 12 – DEFINED BENEFIT PENSION PLAN – OPERS (Continued)**

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.

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.

**NOTE 12 – DEFINED BENEFIT PENSION PLAN – OPERS (Continued)**

*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.

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, 2025 were \$229,105.

**NOTE 12 – DEFINED BENEFIT PENSION PLAN – OPERS (Continued)**

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

*Net pension liability*

At June 30, 2025, the City reported a liability of \$1,376,838 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. 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.

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, 2024, the City's proportion was 0.00619437%, which was an increase of 0.00108753% from its proportion measured as of June 30, 2023.

*Pension expense*

For the year ended June 30, 2025, the City recognized pension expense of \$20,255.

**CITY OF STAYTON**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 12 – 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)

*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.

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

At June 30, 2025, 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	\$ 81,565	\$ 3,286
Changes in assumptions	138,428	177
Net difference between projected and actual earnings on pension plan investments	87,468	-
Changes in proportionate share	229,038	404,020
Differences between contributions and proportionate share of system contributions	603,322	46,865
Contributions subsequent to the measurement date	<u>229,105</u>	<u>-</u>
	<u>\$ 1,368,926</u>	<u>\$ 454,348</u>

**CITY OF STAYTON**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 12 – DEFINED BENEFIT PENSION PLAN – OPERS (Continued)**

Deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement in the amount of \$229,105 will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. 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:	
2026	\$ 67,032
2027	273,410
2028	206,076
2029	115,989
2030	<u>22,967</u>
	<u>\$ 685,473</u>

Actuarial methods and assumptions used in developing the total pension liability

The total pension liability measured as of June 30, 2024 was based on an actuarial valuation as of December 31, 2022 using the following methods and assumptions:

Experience study report	2022, published July 24, 2023
Actuarial cost method	Entry age normal
Inflation rate	2.4%
Long-term expected rate of return	6.9%
Discount rate	6.9%
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	<p><b>Healthy retirees and beneficiaries:</b> 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.</p> <p><b>Active members:</b> Pub-2010 employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><b>Disabled retirees:</b> 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.</p>



**NOTE 12 – DEFINED BENEFIT PENSION PLAN – OPERS (Continued)**

Actuarial methods and assumptions used in developing the 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. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2022 Experience Study which reviewed experience for the four-year period ending on December 31, 2022.

*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*

Asset Class	Target Allocation
Cash	0.00%
Debt securities	20.00%
Public equity	30.00%
Private equity	20.00%
Real estate	12.50%
Real assets	7.50%
Diversifying strategies	7.50%
Risk parity	2.50%
	100.00%

*Long-term expected rate of return*

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.

**CITY OF STAYTON**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 12 – DEFINED BENEFIT PENSION PLAN – OPERS (Continued)**

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

<u>Long-Term Expected Rate of Return</u>		20-Year		
<sup>1</sup>		Annual	Annualized	Annual
Asset Class	Target Allocation	Arithmetic Return <sup>2</sup>	Geometric Mean	Standard Deviation
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 %

<sup>1</sup> 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.

<sup>2</sup> 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 12 – 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, 2022 valuation.

**CITY OF STAYTON**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 12 – 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	\$ 2,171,905	\$ 1,376,838	\$ 710,930

**NOTE 13 – 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, 2024, plan membership consisted of 25 retirees and beneficiaries, 14 vested terminated participants, 10 nonvested terminated participants, and 23 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**

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**NOTE 13 – 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 1<sup>st</sup> 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**

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**NOTE 13 – 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, 2025 were \$405,661.

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, 2025, the City reported a net pension asset of \$337,879. The net pension (asset) liability was measured as of June 30, 2024, 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	\$ 10,951,734
Plan fiduciary net position	<u>11,289,613</u>
Net pension liability (asset)	<u>\$ (337,879)</u>
Fiduciary net position as a percentage of total pension liability	103.09%

**CITY OF STAYTON**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 13 – 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, 2025, changes in the net pension liability is as follows:

	Total Pension Liability	Fiduciary Net Position	Net Pension (Asset) Liability
Beginning balances	\$ 10,494,712	\$ 10,047,498	\$ 447,214
Changes for the year:			
Service cost	302,566	-	302,566
Interest on total pension liability	658,424	-	658,424
Benefit payments	(503,968)	(503,968)	-
Net investment income	-	1,286,739	(1,286,739)
Employer contributions	-	459,344	(459,344)
Ending balances	<u>\$ 10,951,734</u>	<u>\$ 11,289,613</u>	<u>\$ (337,879)</u>

For the year ended June 30, 2025, the City recognized pension expense of \$129,467. At June 30, 2025, 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	\$ 152,968	\$ -
Changes of assumptions or inputs	161,844	-
Net difference between projected and actual earnings on pension plan investments	-	186,403
City's contributions made subsequent to measurement date	405,661	-
	<u>\$ 720,473</u>	<u>\$ 186,403</u>

**CITY OF STAYTON**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 13 – 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 \$405,661 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>	
2026	\$ 43,952
2027	359,574
2028	(148,095)
2029	(127,022)
2030	-

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 13 – 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 6.25%. 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**

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**NOTE 13 – 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 (asset) liability	\$ 1,037,017	\$ (337,879)	\$ (1,482,575)

**NOTE 14 – 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 14 – 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, 2025 were \$59,742.

Recordkeeping

PERS contracts with VOYA Financial to maintain IAP participant records.

**NOTE 15 – 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, 2024, plan membership consisted of 25 retirees, 14 vested terminated participants, 10 non-vested terminated participants, and 23 active participants.

**CITY OF STAYTON**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 15 – 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, 2025, the actuarial determined contribution rate was 0.6% of covered payroll. City contributions to the plan for the year ended June 30, 2025 were \$11,145.

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, 2025, the City reported a net other postemployment benefit asset of \$110,776. The net other postemployment benefit liability (asset) was measured as of June 30, 2024, 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	\$ 241,527
Plan fiduciary net position	<u>352,303</u>
Net other postemployment benefit liability (asset)	<u>\$ (110,776)</u>
Fiduciary net position as a percentage of total other postemployment benefit liability	145.86%

**CITY OF STAYTON**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 15 – 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	\$ 228,277	\$ 307,918	\$ (79,641)
Changes for the year			
Service cost	6,610	-	6,610
Interest on total OPEB liability	14,440	-	14,440
Benefit payments	(7,800)	(7,800)	-
Net investment income	-	39,800	(39,800)
Employer contributions	-	12,385	(12,385)
Ending balances	<u>\$ 241,527</u>	<u>\$ 352,303</u>	<u>\$ (110,776)</u>

For the year ended June 30, 2025, the City recognized other postemployment benefit expense of \$7,837. At June 30, 2025, 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	\$ 8,938	\$ 27,470
Changes of assumptions or inputs	5,449	-
Net difference between projected and actual earnings	-	6,027
Contributions made subsequent to measurement date	11,145	-
	<u>\$ 25,532</u>	<u>\$ 33,497</u>

**CITY OF STAYTON**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 15 – 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, 2026. 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

2026	\$	1,121
2025		3,202
2026		(10,078)
2027		(7,467)
2028		(2,802)
Thereafter		(3,086)

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**

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**NOTE 15 – 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 15 – 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**

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**NOTE 15 – 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)	\$ (79,854)	\$ (110,776)	\$ (136,506)

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)	\$ (110,776)	\$ (110,776)	\$ (110,776)

**NOTE 16 – 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, 2024, there were 43 active employees and 2 eligible retirees for a total of 45 plan members.

**CITY OF STAYTON**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 16 – 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	\$	781
For spouses of retirees		880

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, 2025, the City reported a total OPEB liability of \$284,770. The total OPEB liability was measured as of June 30, 2024, 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, 2024	\$ 401,213
Changes for the year:	
Service cost	17,732
Interest	14,794
Effect of economic/demographic gains or losses	(109,067)
Changes in assumptions or other inputs	(12,380)
Benefit payments	<u>(27,522)</u>
Balances at June 30, 2025	<u>\$ 284,770</u>

**CITY OF STAYTON**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 16 – 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, 2025, the City recognized a credit to OPEB expense of \$3,859. At June 30, 2025, 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	\$ 67,650	\$ 98,987
Changes of assumptions	2,625	40,215
City's contributions subsequent to the measurement date	<u>17,179</u>	<u>-</u>
	<u>\$ 87,454</u>	<u>\$ 139,202</u>

Deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date in the amount of \$17,179 will be recognized as an adjustment to the total OPEB liability in the year ended June 30, 2026. 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,

2026	\$ (11,488)
2027	(5,302)
2028	(5,284)
2029	(7,837)
2030	(7,919)
Thereafter	(31,097)

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 16 – OTHER POSTEMPLOYMENT BENEFITS – IMPLICIT SUBSIDY (Continued)**

Actuarial methods and assumptions used in developing total OPEB liability

Valuation Date	July 1, 2024
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	30% 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 3.93%. The discount rate is based on the Bond Buyer 20-year General Obligation Bond Index. The discount rate at the prior measurement date was 3.65%.

Healthcare cost trend rate

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

Year	Pre-65 Trend
2024	6.90
2025	6.00
2026	5.50
2027 - 2028	5.00
2029 - 2030	4.75
2031 - 2032	4.50
2033 - 2065	4.25
2066 - 2071	4.00
2072+	3.75

**CITY OF STAYTON**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 16 – 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 2071, 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 3.93%, 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 (2.93%) or 1-percentage-point higher (4.93%) than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption.

	1% Lower	Current Discount Rate	1% Higher
City's total OPEB liability	\$ 303,923	\$ 284,770	\$ 266,987

  

	1% Lower	Current Trend Rate	1% Higher
City's total OPEB liability	\$ 261,711	\$ 284,770	\$ 311,240

Changes since prior valuation

Expected Claims and Premiums were 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, 2023 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**

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**NOTE 17 – INTERGOVERNMENTAL AGREEMENT**

The City has an intergovernmental agreement with the City of Sublimity, to provide sewage treatment services. The agreement commenced on July 1, 2024 and continues until June 30, 2033. Under the agreement with Sublimity, the City of Stayton allocates certain sewer system costs annually to the City of Sublimity. For fiscal year ended June 30, 2025, costs reimbursed by the City of Sublimity amounted to \$759,388.

**NOTE 18 – NET POSITION RESTRICTED THROUGH ENABLING LEGISLATION**

As of June 30, 2025, 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	\$ 2,462,956
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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	\$ 2,138,505
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**NOTE 19 – NEWLY ISSUED ACCOUNTING STANDARDS**

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement establishes a unified model for recognizing and measuring liabilities related to compensated absences, enhancing comparability and relevance across governmental entities. The measurement of the liability is based on the employee's pay rate as of the financial statement date. Salary-related payments directly and incrementally associated with leave payments are included in the liability measurement. Certain types of leave—such as parental leave, military leave, and jury duty—are excluded from recognition until the leave commences. The City has recorded a restatement of beginning net position and additional leave associated with implementation of this standard.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. The City has evaluated known concentrations and constraints that may expose the entity to substantial financial impacts. These disclosures are intended to enhance transparency and provide users of the financial statements with information about vulnerabilities that are not otherwise routinely disclosed. As of June 30, 2025 management has determined that the implementation of this standard had no effect on the financial statements.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF STAYTON**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2025**

	<b>Budget</b>			
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues</b>				
Property taxes	\$ 2,522,500	\$ 2,522,500	\$ 2,534,506	\$ 12,006
Franchise fees	858,650	858,650	994,185	135,535
Licenses, permits and fees	21,000	21,000	20,544	(456)
Fines and forfeitures	100,000	100,000	81,888	(18,112)
Charges for services	6,500	6,500	7,459	959
Intergovernmental	929,075	929,075	317,406	(611,669)
Rents	94,437	94,437	56,905	(37,532)
Interest	150,743	150,743	141,220	(9,523)
Miscellaneous	25,860	25,860	59,653	33,793
Total revenues	<u>4,708,765</u>	<u>4,708,765</u>	<u>4,213,766</u>	<u>(494,999)</u>
<b>Expenditures</b>				
Administration	1,658,755	1,658,755	1,537,892	120,863
Police	2,842,269	2,842,269	2,603,267	239,002
Planning	424,877	424,877	287,795	137,082
Community center	111,432	111,432	100,402	11,030
Municipal court	120,269	120,269	105,461	14,808
Mayor/City council	43,615	49,615	45,900	3,715
General operations	439,642	439,642	37,226	402,416
Street lights	115,093	115,093	107,872	7,221
Contingency	586,000	580,000	-	580,000
Total expenditures	<u>6,341,952</u>	<u>6,341,952</u>	<u>4,825,815</u>	<u>1,516,137</u>
Excess (deficiency) of revenues over expenditures	<u>(1,633,187)</u>	<u>(1,633,187)</u>	<u>(612,049)</u>	<u>1,021,138</u>
<b>Other financing sources (uses)</b>				
Transfers in	1,166,400	1,166,400	1,166,400	-
Transfers out	<u>(1,324,122)</u>	<u>(1,324,122)</u>	<u>(402,900)</u>	<u>921,222</u>
Total other financing sources (uses)	<u>(157,722)</u>	<u>(157,722)</u>	<u>763,500</u>	<u>921,222</u>
Net change in fund balance	<u>(1,790,909)</u>	<u>(1,790,909)</u>	<u>151,451</u>	<u>1,942,360</u>
Fund balance at beginning of year	<u>2,608,681</u>	<u>2,608,681</u>	<u>2,884,283</u>	<u>275,602</u>
<b>Fund balance at end of year</b>	<b><u>\$ 817,772</u></b>	<b><u>\$ 817,772</u></b>	<b><u>3,035,734</u></b>	<b><u>\$ 2,217,962</u></b>
<b>Reconciliation to generally accepted accounting principles</b>				
Lease receivables, net of deferred inflows			99,059	
Due from other funds			<u>23,000</u>	
<b>Fund balance at end of year, GAAP basis</b>			<b><u>\$ 3,157,793</u></b>	



**CITY OF STAYTON**  
**STREET FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2025**

	<b>Budget</b>			
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues</b>				
Charges for services	\$ 190,000	\$ 190,000	\$ 315,690	\$ 125,690
Intergovernmental	771,000	771,000	770,244	(756)
Fuel taxes	180,000	180,000	176,600	(3,400)
Interest	84,308	84,308	103,737	19,429
Miscellaneous	-	-	8,596	8,596
Total revenues	<u>1,225,308</u>	<u>1,225,308</u>	<u>1,374,867</u>	<u>149,559</u>
<b>Expenditures</b>				
Streets	1,402,891	1,402,891	920,379	482,512
Contingency	<u>71,000</u>	<u>71,000</u>	-	<u>71,000</u>
Total expenditures	<u>1,473,891</u>	<u>1,473,891</u>	<u>920,379</u>	<u>553,512</u>
Excess (deficiency) of revenues over expenditures	<u>(248,583)</u>	<u>(248,583)</u>	<u>454,488</u>	<u>703,071</u>
<b>Other financing sources (uses)</b>				
Transfers in	3,500	3,500	4,538	1,038
Transfers out	<u>(447,600)</u>	<u>(447,600)</u>	<u>(447,600)</u>	<u>-</u>
Total other financing sources (uses)	<u>(444,100)</u>	<u>(444,100)</u>	<u>(443,062)</u>	<u>1,038</u>
Net change in fund balance	<u>(692,683)</u>	<u>(692,683)</u>	<u>11,426</u>	<u>704,109</u>
Fund balance at beginning of year	<u>1,881,369</u>	<u>1,881,369</u>	<u>2,243,630</u>	<u>362,261</u>
<b>Fund balance at end of year</b>	<b><u>\$ 1,188,686</u></b>	<b><u>\$ 1,188,686</u></b>	<b><u>\$ 2,255,056</u></b>	<b><u>\$ 1,066,370</u></b>

**CITY OF STAYTON**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

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**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, 2025.

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

For the year ended June 30, 2025, 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	\$ 4,213,766
Interfund loan	(23,000)
Lease revenues	<u>23,452</u>
Total revenues reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u><u>\$ 4,214,218</u></u>

**CITY OF STAYTON**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

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

**Beginning fund balance**

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

**Ending fund balance**

Total General Fund ending fund balance - budgetary basis	\$ 3,035,734
Interfund loan	23,000
Lease receivable	<u>99,059</u>
Total ending fund balance reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u>\$ 3,157,793</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,**

<b>Year Ended June 30,</b>	<b>City's proportion of the net pension liability (asset)</b>	<b>City's proportionate share of the net pension liability (asset)</b>	<b>City's covered payroll</b>	<b>City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll</b>	<b>Plan fiduciary net position as a percentage of the total pension liability</b>
2024	0.00619437%	\$ 1,376,838	\$ 1,094,475	126%	79%
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%

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**

<b>Year Ended June 30,</b>	<b>Statutorily required contribution</b>	<b>Contributions in relation to the statutorily required contribution</b>	<b>Contribution deficiency (excess)</b>	<b>City's covered payroll</b>	<b>Contributions as a percent of covered payroll</b>
2025	\$ 229,105	\$ 229,105	\$ -	\$ 1,147,495	19.97%
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%

**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,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>Beginning 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)
<u>Changes in total pension liability</u>										
Service cost	\$ 302,566	\$ 273,027	\$ 263,794	\$ 273,205	\$ 263,966	\$ 244,921	\$ 236,639	\$ 234,298	\$ 226,375	\$ 196,034
Interest on total pension liability	658,424	617,353	586,427	555,471	525,231	499,052	470,246	461,171	434,734	384,088
Effect of economic/demographic losses	-	282,394	-	12,904	-	(73,788)	-	(266,243)	-	(59,144)
Effect of assumption changes or inputs	-	295,384	-	25,840	-	22,568	-	-	-	441,438
Benefit payments	(503,968)	(396,326)	(389,418)	(355,685)	(321,131)	(286,546)	(266,793)	(307,781)	(228,933)	(194,544)
Net change in total pension liability	\$ 457,022	\$ 1,071,832	\$ 460,803	\$ 511,735	\$ 468,066	\$ 406,207	\$ 440,092	\$ 121,445	\$ 432,176	\$ 767,872
<u>Changes in fiduciary net position</u>										
Employer contributions	\$ 459,344	\$ 382,559	\$ 333,274	\$ 355,483	\$ 351,006	\$ 604,633	\$ 230,677	\$ 223,999	\$ 213,582	\$ 198,193
Member contributions	-	-	-	-	-	-	77,795	76,484	76,542	68,901
Investment income net of expenses	1,286,739	901,848	(1,381,115)	2,155,633	220,739	464,435	483,519	647,240	106,824	183,402
Benefit payments	(503,968)	(396,326)	(389,418)	(355,685)	(321,131)	(286,546)	(266,793)	(307,781)	(228,933)	(194,544)
Administrative expenses	-	-	-	-	-	-	-	(24,548)	(50,360)	(16,068)
Net change in fiduciary net position	\$ 1,242,115	\$ 888,081	\$ (1,437,259)	\$ 2,155,431	\$ 250,614	\$ 782,522	\$ 525,198	\$ 615,394	\$ 117,655	\$ 239,884
<u>End of year</u>										
Total pension liability	\$ 10,951,734	\$ 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
Fiduciary net position	11,289,613	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
<b>Net pension liability (asset)</b>	<b>\$ (337,879)</b>	<b>\$ 447,214</b>	<b>\$ 263,463</b>	<b>\$ (1,634,599)</b>	<b>\$ 9,097</b>	<b>\$ (208,355)</b>	<b>\$ 167,960</b>	<b>\$ 253,066</b>	<b>\$ 747,015</b>	<b>\$ 432,494</b>
Fiduciary net position as a percent of total pension liability	103.1%	95.7%	97.2%	118.2%	99.9%	102.6%	97.8%	96.5%	89.4%	93.4%
Covered payroll	\$ 2,146,741	\$ 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
Net pension liability as a percent of covered payroll	-15.7%	24.4%	17.0%	-113.9%	0.6%	-14.9%	12.1%	18.8%	62.9%	37.7%

**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
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,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	* \$	459	\$ 433	\$ 366	\$ 324	\$ 339	\$ 315	\$ 322	\$ 288	\$ 270
Actual employer contribution	406	459	383	333	355	351	605	308	300	290
Contribution deficiency (excess)	* \$	-	\$ 50	\$ 33	\$ (31)	\$ (12)	\$ (290)	\$ 14	\$ (12)	\$ (20)
Covered payroll	\$ 2,147	\$ 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	*	25.04%	24.68%	23.21%	23.54%	25.09%	43.43%	22.88%	25.23%	25.26%
Valuation date	7/1/2021	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
Assumed investment rate of return	*	6.50%	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 Plan Years Ended**

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<b>Year Ended June 30,</b>	<b>Rate of Return</b>
2024	12.89%
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%



**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,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	
<u>Beginning of year</u>										
Total other postemployment benefit liability	\$ 228,277	\$ 234,890	\$ 221,481	\$ 219,585	\$ 207,898	\$ 250,678	\$ 237,854	\$ 231,855	\$ 221,388	
Fiduciary net position	307,918	276,881	317,522	251,669	240,912	110,009	96,262	80,288	71,341	
Net other postemployment benefit liability (asset)	\$ (79,641)	\$ (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	\$ 6,610	\$ 7,168	\$ 6,926	\$ 6,955	\$ 6,720	\$ 6,469	\$ 6,250	\$ 4,616	\$ 4,460	
Interest on total other postemployment benefit liability	14,440	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	(7,800)	(6,600)	(8,100)	(8,400)	(8,700)	(9,600)	(9,000)	(8,400)	(8,400)	
Net change in total other postemployment benefit liability	\$ 13,250	\$ (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	\$ 12,385	\$ 10,188	\$ 9,019	\$ 9,805	\$ 12,918	\$ 130,056	\$ 15,767	\$ 15,999	\$ 16,627	
Investment income net of expenses	39,800	27,449	(41,560)	64,448	6,539	10,447	6,980	8,689	1,304	
Benefit payments	(7,800)	(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	\$ 44,385	\$ 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	\$ 241,527	\$ 228,277	\$ 234,890	\$ 221,481	\$ 219,585	\$ 207,898	\$ 250,678	\$ 237,854	\$ 231,856	
Fiduciary net position	352,303	307,918	276,881	317,522	251,669	240,912	110,009	96,262	80,288	
Net other postemployment benefit liability (asset)	\$ (110,776)	\$ (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	145.86%	134.89%	117.88%	143.36%	114.61%	115.88%	43.88%	40.47%	34.63%	
Covered payroll	\$ 2,146,741	\$ 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	-5.16%	-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									
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	Effectice 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,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarilly determined contribution	* \$	12	\$ 11	\$ 9	\$ 9	\$ 12	\$ 11	\$ 17	\$ 15	\$ 15
Actual employer contribution	11	12	10	9	10	13	130	16	16	17
Contribution deficiency (excess)	* \$	-	\$ 1	\$ (0)	\$ (1)	\$ (1)	\$ (119)	\$ 1	\$ (1)	\$ (2)
Covered payroll	\$ 2,147	\$ 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	0.51%	0.65%	0.64%	0.63%	0.70%	0.86%	9.29%	1.15%	1.19%	1.43%
Valuation date	7/1/2021	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
Assumed investment rate of return	*	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%

\* Information not available

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

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Year Ended June 30,	Rate of Return
2024	12.87%
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,						
	2024	2023	2022	2021	2020	2019	2018
Service cost	\$ 17,732	\$ 17,397	\$ 20,833	\$ 20,241	\$ 15,921	\$ 14,261	\$ 19,035
Interest on total OPEB liability	14,794	14,222	7,282	7,111	9,479	9,614	10,576
Effect of economic/demographic gains or losses	(109,067)	-	91,231	-	29,843	-	(24,917)
Effect of assumptions changes or inputs	(12,380)	(2,568)	(31,362)	1,013	680	7,363	(29,013)
Benefit payments	(27,522)	(24,183)	(15,779)	(11,479)	(7,093)	(13,820)	(21,913)
Net change in total OPEB liability	(116,443)	4,868	72,205	16,886	48,830	17,418	(46,232)
Total OPEB liability - beginning of year	401,213	396,345	324,140	307,254	258,424	241,006	287,238
<b>Total OPEB liability - end of year</b>	<b>\$ 284,770</b>	<b>\$ 401,213</b>	<b>\$ 396,345</b>	<b>\$ 324,140</b>	<b>\$ 307,254</b>	<b>\$ 258,424</b>	<b>\$ 241,006</b>
Covered employee payroll	\$ 1,147,495	\$ 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	24.82%	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	3.93%	3.65%	3.54%	2.16%	2.21%	3.50%	2.79%

**COMBINING FINANCIAL STATEMENTS AND  
INDIVIDUAL FUND SCHEDULES**

**CITY OF STAYTON**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2025**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 765,007	\$ 3,224,907	\$ 3,989,914
Receivables	<u>26,661</u>	<u>-</u>	<u>26,661</u>
<b>Total assets</b>	<u><b>\$ 791,668</b></u>	<u><b>\$ 3,224,907</b></u>	<u><b>\$ 4,016,575</b></u>
<b>Liabilities, deferred inflows and fund balances</b>			
Liabilities			
Accounts payable and accrued liabilities	<u>\$ 207,028</u>	<u>\$ 8,661</u>	<u>\$ 215,689</u>
Total liabilities	<u>207,028</u>	<u>8,661</u>	<u>215,689</u>
Deferred inflows of resources			
Unavailable revenue	<u>19,551</u>	<u>-</u>	<u>19,551</u>
Total deferred inflows of resources	<u>19,551</u>	<u>-</u>	<u>19,551</u>
Fund balances			
Restricted for:			
Library	299,796	-	299,796
Parks	169,057	-	169,057
Swimming pool	96,236	-	96,236
Capital projects	-	2,462,956	2,462,956
Committed for:			
Capital projects	<u>-</u>	<u>753,290</u>	<u>753,290</u>
Total fund balances	<u>565,089</u>	<u>3,216,246</u>	<u>3,781,335</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u><b>\$ 791,668</b></u>	<u><b>\$ 3,224,907</b></u>	<u><b>\$ 4,016,575</b></u>

**CITY OF STAYTON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2025**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
<b>Revenues</b>			
Property taxes	\$ 682,318	\$ -	\$ 682,318
Licenses, permits and fees	722	-	722
Fines and forfeitures	6,711	-	6,711
Charges for services	129,896	-	129,896
Donations	34,500	-	34,500
System development charges	-	94,348	94,348
Intergovernmental	350,515	-	350,515
Rent	6,220	-	6,220
Interest	29,131	155,575	184,706
Miscellaneous	1,253	-	1,253
	<u>1,241,266</u>	<u>249,923</u>	<u>1,491,189</u>
<b>Total revenues</b>			
	<u>1,241,266</u>	<u>249,923</u>	<u>1,491,189</u>
<b>Expenditures</b>			
Current			
General government	-	14,700	14,700
Culture and recreation	1,339,462	-	1,339,462
Capital outlay	336,820	99,669	436,489
	<u>1,676,282</u>	<u>114,369</u>	<u>1,790,651</u>
<b>Total expenditures</b>			
	<u>1,676,282</u>	<u>114,369</u>	<u>1,790,651</u>
Excess (deficiency) of revenues over expenditures	<u>(435,016)</u>	<u>135,554</u>	<u>(299,462)</u>
<b>Other financing sources (uses)</b>			
Transfers in	459,660	15,333	474,993
Transfers out	(265,900)	(76,934)	(342,834)
	<u>193,760</u>	<u>(61,601)</u>	<u>132,159</u>
<b>Total other financing sources (uses)</b>			
	<u>193,760</u>	<u>(61,601)</u>	<u>132,159</u>
Net change in fund balances	(241,256)	73,953	(167,303)
Fund balances at beginning of year	<u>806,345</u>	<u>3,142,293</u>	<u>3,948,638</u>
<b>Fund balances at end of year</b>	<u><b>\$ 565,089</b></u>	<u><b>\$ 3,216,246</b></u>	<u><b>\$ 3,781,335</b></u>

**CITY OF STAYTON**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**June 30, 2025**

	<b>Library</b>	<b>Parks</b>	<b>Swimming Pool</b>	<b>Total</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 310,472	\$ 352,725	\$ 101,810	\$ 765,007
Receivables	<u>11,860</u>	<u>7,051</u>	<u>7,750</u>	<u>26,661</u>
<b>Total assets</b>	<b><u>\$ 322,332</u></b>	<b><u>\$ 359,776</u></b>	<b><u>\$ 109,560</u></b>	<b><u>\$ 791,668</u></b>
<b>Liabilities, deferred inflows and fund balances</b>				
Liabilities				
Accounts payable and accrued liabilities	<u>\$ 13,963</u>	<u>\$ 185,005</u>	<u>\$ 8,060</u>	<u>\$ 207,028</u>
Total liabilities	<u>13,963</u>	<u>185,005</u>	<u>8,060</u>	<u>207,028</u>
Deferred inflows of resources				
Unavailable revenue	<u>8,573</u>	<u>5,714</u>	<u>5,264</u>	<u>19,551</u>
Total deferred inflows of resources	<u>8,573</u>	<u>5,714</u>	<u>5,264</u>	<u>19,551</u>
Fund balances				
Restricted for:				
Library	299,796	-	-	299,796
Parks	-	169,057	-	169,057
Swimming pool	<u>-</u>	<u>-</u>	<u>96,236</u>	<u>96,236</u>
Total fund balances	<u>299,796</u>	<u>169,057</u>	<u>96,236</u>	<u>565,089</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b><u>\$ 322,332</u></b>	<b><u>\$ 359,776</u></b>	<b><u>\$ 109,560</u></b>	<b><u>\$ 791,668</u></b>



**CITY OF STAYTON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**Year Ended June 30, 2025**

	<b>Library</b>	<b>Parks</b>	<b>Swimming Pool</b>	<b>Total</b>
<b>Revenues</b>				
Property taxes	\$ 304,769	\$ 189,029	\$ 188,520	\$ 682,318
Licenses, permits and fees	722	-	-	722
Fines and forfeitures	6,711	-	-	6,711
Charges for services	-	-	129,896	129,896
Donations	-	-	34,500	34,500
Intergovernmental	139,905	210,610	-	350,515
Rent	-	6,220	-	6,220
Interest	14,827	7,744	6,560	29,131
Miscellaneous	-	1,253	-	1,253
	<u>466,934</u>	<u>414,856</u>	<u>359,476</u>	<u>1,241,266</u>
<b>Total revenues</b>				
	<u>466,934</u>	<u>414,856</u>	<u>359,476</u>	<u>1,241,266</u>
<b>Expenditures</b>				
Current				
Culture and recreation	546,146	334,593	458,723	1,339,462
Capital outlay	32,760	304,060	-	336,820
	<u>578,906</u>	<u>638,653</u>	<u>458,723</u>	<u>1,676,282</u>
<b>Total expenditures</b>				
	<u>578,906</u>	<u>638,653</u>	<u>458,723</u>	<u>1,676,282</u>
Excess (deficiency) of revenues over expenditures	<u>(111,972)</u>	<u>(223,797)</u>	<u>(99,247)</u>	<u>(435,016)</u>
<b>Other financing sources (uses)</b>				
Transfers in	91,560	265,700	102,400	459,660
Transfers out	(52,900)	(133,800)	(79,200)	(265,900)
	<u>38,660</u>	<u>131,900</u>	<u>23,200</u>	<u>193,760</u>
<b>Total other financing sources (uses)</b>				
	<u>38,660</u>	<u>131,900</u>	<u>23,200</u>	<u>193,760</u>
Net change in fund balances	(73,312)	(91,897)	(76,047)	(241,256)
Fund balances at beginning of year	<u>373,108</u>	<u>260,954</u>	<u>172,283</u>	<u>806,345</u>
<b>Fund balances at end of year</b>	<b><u>\$ 299,796</u></b>	<b><u>\$ 169,057</u></b>	<b><u>\$ 96,236</u></b>	<b><u>\$ 565,089</u></b>

**CITY OF STAYTON**  
**COMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**June 30, 2025**

	<b>Street System Development Charges</b>	<b>Parks System Development Charges</b>	<b>Facilities</b>	<b>Total</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 1,314,291	\$ 1,148,665	\$ 761,951	\$ 3,224,907
<b>Total assets</b>	<b><u>\$ 1,314,291</u></b>	<b><u>\$ 1,148,665</u></b>	<b><u>\$ 761,951</u></b>	<b><u>\$ 3,224,907</u></b>
<b>Liabilities and fund balances</b>				
Liabilities				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 8,661	\$ 8,661
Total liabilities	-	-	8,661	8,661
Fund balances				
Restricted for:				
Capital projects	1,314,291	1,148,665	-	2,462,956
Committed for:				
Capital projects	-	-	753,290	753,290
Total fund balances	<u>1,314,291</u>	<u>1,148,665</u>	<u>753,290</u>	<u>3,216,246</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b><u>\$ 1,314,291</u></b>	<b><u>\$ 1,148,665</u></b>	<b><u>\$ 761,951</u></b>	<b><u>\$ 3,224,907</u></b>

**CITY OF STAYTON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**Year Ended June 30, 2025**

	<b>Street System Development Charges</b>	<b>Parks System Development Charges</b>	<b>Facilities</b>	<b>Total</b>
<b>Revenues</b>				
System development charges	\$ 82,684	\$ 11,664	\$ -	\$ 94,348
Interest	<u>59,969</u>	<u>54,160</u>	<u>41,446</u>	<u>155,575</u>
Total revenues	<u>142,653</u>	<u>65,824</u>	<u>41,446</u>	<u>249,923</u>
<b>Expenditures</b>				
Current				
General government	\$ -	\$ -	\$ 14,700	\$ 14,700
Capital outlay	<u>-</u>	<u>-</u>	<u>99,669</u>	<u>99,669</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>114,369</u>	<u>114,369</u>
Excess (deficiency) of revenues over expenditures	<u>142,653</u>	<u>65,824</u>	<u>(72,923)</u>	<u>135,554</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	15,333	15,333
Transfers out	<u>(17,674)</u>	<u>-</u>	<u>(59,260)</u>	<u>(76,934)</u>
Total other financing sources (uses)	<u>(17,674)</u>	<u>-</u>	<u>(43,927)</u>	<u>(61,601)</u>
Net change in fund balances	124,979	65,824	(116,850)	73,953
Fund balances at beginning of year	<u>1,189,312</u>	<u>1,082,841</u>	<u>870,140</u>	<u>3,142,293</u>
<b>Fund balances at end of year</b>	<b><u>\$ 1,314,291</u></b>	<b><u>\$ 1,148,665</u></b>	<b><u>\$ 753,290</u></b>	<b><u>\$ 3,216,246</u></b>

**CITY OF STAYTON**  
**LIBRARY - SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Property taxes	\$ 300,600	\$ 304,769	\$ 4,169
Licenses, permits and fees	700	722	22
Fines and forfeitures	3,500	6,711	3,211
Intergovernmental	139,227	139,905	678
Interest	<u>15,174</u>	<u>14,827</u>	<u>(347)</u>
Total revenues	<u>459,201</u>	<u>466,934</u>	<u>7,733</u>
<b>Expenditures</b>			
Library	608,726	578,906	29,820
Contingency	<u>31,000</u>	<u>-</u>	<u>31,000</u>
Total expenditures	<u>639,726</u>	<u>578,906</u>	<u>60,820</u>
Excess (deficiency) of revenues over expenditures	<u>(180,525)</u>	<u>(111,972)</u>	<u>68,553</u>
<b>Other financing sources (uses)</b>			
Transfers in	92,400	91,560	(840)
Transfers out	<u>(52,900)</u>	<u>(52,900)</u>	<u>-</u>
Total other financing sources (uses)	<u>39,500</u>	<u>38,660</u>	<u>(840)</u>
Net change in fund balance	(141,025)	(73,312)	67,713
Fund balance at beginning of year	<u>360,798</u>	<u>373,108</u>	<u>12,310</u>
<b>Fund balance at end of year</b>	<b><u>\$ 219,773</u></b>	<b><u>\$ 299,796</u></b>	<b><u>\$ 80,023</u></b>

**CITY OF STAYTON**  
**PARKS - SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2025**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues</b>			
Property taxes	\$ 187,800	\$ 189,029	\$ 1,229
Intergovernmental	250,000	210,610	(39,390)
Rent	10,000	6,220	(3,780)
Interest	11,642	7,744	(3,898)
Miscellaneous	-	1,253	1,253
	<u>459,442</u>	<u>414,856</u>	<u>(44,586)</u>
<b>Total revenues</b>			
	<u>459,442</u>	<u>414,856</u>	<u>(44,586)</u>
<b>Expenditures</b>			
Parks	1,427,853	638,653	789,200
Contingency	72,000	-	72,000
	<u>1,499,853</u>	<u>638,653</u>	<u>861,200</u>
<b>Total expenditures</b>			
	<u>1,499,853</u>	<u>638,653</u>	<u>861,200</u>
Excess (deficiency) of revenues over expenditures	<u>(1,040,411)</u>	<u>(223,797)</u>	<u>816,614</u>
<b>Other financing sources (uses)</b>			
Transfers in	1,015,700	265,700	(750,000)
Transfers out	(133,800)	(133,800)	-
	<u>881,900</u>	<u>131,900</u>	<u>(750,000)</u>
<b>Total other financing sources (uses)</b>			
	<u>881,900</u>	<u>131,900</u>	<u>(750,000)</u>
Net change in fund balance	(158,511)	(91,897)	66,614
Fund balance at beginning of year	219,601	260,954	41,353
	<u>219,601</u>	<u>260,954</u>	<u>41,353</u>
<b>Fund balance at end of year</b>	<b><u>\$ 61,090</u></b>	<b><u>\$ 169,057</u></b>	<b><u>\$ 107,967</u></b>

**CITY OF STAYTON**  
**SWIMMING POOL - SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Property taxes	\$ 187,800	\$ 188,520	\$ 720
Charges for services	132,750	129,896	(2,854)
Donations	34,500	34,500	-
Interest	<u>7,692</u>	<u>6,560</u>	<u>(1,132)</u>
Total revenues	<u>362,742</u>	<u>359,476</u>	<u>(3,266)</u>
<b>Expenditures</b>			
Pool	<u>474,899</u>	<u>458,723</u>	<u>16,176</u>
Total expenditures	<u>474,899</u>	<u>458,723</u>	<u>16,176</u>
Excess (deficiency) of revenues over expenditures	<u>(112,157)</u>	<u>(99,247)</u>	<u>12,910</u>
<b>Other financing sources (uses)</b>			
Transfers in	102,400	102,400	-
Transfers out	<u>(79,200)</u>	<u>(79,200)</u>	<u>-</u>
Total other financing sources (uses)	<u>23,200</u>	<u>23,200</u>	<u>-</u>
Net change in fund balance	(88,957)	(76,047)	12,910
Fund balance at beginning of year	<u>158,025</u>	<u>172,283</u>	<u>14,258</u>
<b>Fund balance at end of year</b>	<u><b>\$ 69,068</b></u>	<u><b>\$ 96,236</b></u>	<u><b>\$ 27,168</b></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, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
System development charges	\$ 32,240	\$ 82,684	\$ 50,444
Interest	<u>44,882</u>	<u>59,969</u>	<u>15,087</u>
Total revenues	<u>77,122</u>	<u>142,653</u>	<u>65,531</u>
<b>Other financing sources (uses)</b>			
Transfers out	<u>(3,500)</u>	<u>(17,674)</u>	<u>(14,174)</u>
Total other financing sources (uses)	<u>(3,500)</u>	<u>(17,674)</u>	<u>(14,174)</u>
Net change in fund balance	73,622	124,979	51,357
Fund balance at beginning of year	<u>1,190,183</u>	<u>1,189,312</u>	<u>(871)</u>
<b>Fund balance at end of year</b>	<b><u>\$ 1,263,805</u></b>	<b><u>\$ 1,314,291</u></b>	<b><u>\$ 50,486</u></b>

**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, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
System development charges	\$ 38,300	\$ 11,664	\$ (26,636)
Interest	<u>40,381</u>	<u>54,160</u>	<u>13,779</u>
Total revenues	<u>78,681</u>	<u>65,824</u>	<u>(12,857)</u>
<b>Other financing sources (uses)</b>			
Transfers out	<u>(750,000)</u>	<u>-</u>	<u>750,000</u>
Total other financing sources (uses)	<u>(750,000)</u>	<u>-</u>	<u>750,000</u>
Net change in fund balance	(671,319)	65,824	737,143
Fund balance at beginning of year	<u>1,081,535</u>	<u>1,082,841</u>	<u>1,306</u>
<b>Fund balance at end of year</b>	<b><u>\$ 410,216</u></b>	<b><u>\$ 1,148,665</u></b>	<b><u>\$ 738,449</u></b>



**CITY OF STAYTON**  
**FACILITIES - CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Interest	\$ 31,784	\$ 41,446	\$ 9,662
Total revenues	<u>31,784</u>	<u>41,446</u>	<u>9,662</u>
<b>Expenditures</b>			
Facilities	140,249	114,369	25,880
Contingency	<u>8,000</u>	<u>-</u>	<u>8,000</u>
Total expenditures	<u>148,249</u>	<u>114,369</u>	<u>33,880</u>
Excess (deficiency) of revenues over expenditures	<u>(116,465)</u>	<u>(72,923)</u>	<u>43,542</u>
<b>Other financing sources (uses)</b>			
Transfers in	15,333	15,333	-
Transfers out	<u>(60,100)</u>	<u>(59,260)</u>	<u>840</u>
Total other financing sources (uses)	<u>(44,767)</u>	<u>(43,927)</u>	<u>840</u>
Net change in fund balance	(161,232)	(116,850)	44,382
Fund balance at beginning of year	<u>871,110</u>	<u>870,140</u>	<u>(970)</u>
<b>Fund balance at end of year</b>	<u><b>\$ 709,878</b></u>	<u><b>\$ 753,290</b></u>	<u><b>\$ 43,412</b></u>

**CITY OF STAYTON**  
**COMBINING STATEMENT OF NET POSITION**  
**WATER FUND**  
**June 30, 2025**

	Water	Water System Development Charges	Total Water Fund
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 1,195,944	\$ 1,080,837	\$ 2,276,781
Receivables, net	208,240	-	208,240
Inventory	111,999	-	111,999
Prepaid items	142,000	-	142,000
Total current assets	<u>1,658,183</u>	<u>1,080,837</u>	<u>2,739,020</u>
Net pension asset	34,896	-	34,896
Net other postemployment benefits asset	10,263	-	10,263
Capital assets			
Capital assets, nondepreciable	95,570	-	95,570
Capital assets, net of accumulated depreciation	<u>13,015,623</u>	<u>-</u>	<u>13,015,623</u>
Total capital assets	<u>13,111,193</u>	<u>-</u>	<u>13,111,193</u>
Total assets	<u>14,814,535</u>	<u>1,080,837</u>	<u>15,895,372</u>
<b>Deferred outflows of resources</b>			
Refunded debt charges	23,096	-	23,096
Pension related items	81,783	-	81,783
Other postemployment benefit related items	<u>7,775</u>	<u>-</u>	<u>7,775</u>
Total deferred outflows of resources	<u>112,654</u>	<u>-</u>	<u>112,654</u>
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities	30,621	-	30,621
Accrued interest payable	6,258	-	6,258
Unearned revenue	95,763	-	95,763
Consumer deposits	66,074	-	66,074
Compensated absences	43,253	-	43,253
Bonds payable	<u>291,414</u>	<u>-</u>	<u>291,414</u>
Total current liabilities	<u>533,383</u>	<u>-</u>	<u>533,383</u>
Noncurrent liabilities			
Compensated absences	4,826	-	4,826
Bonds payable	1,932,072	-	1,932,072
Net other postemployment benefits liability	<u>18,436</u>	<u>-</u>	<u>18,436</u>
Total noncurrent liabilities	<u>1,955,334</u>	<u>-</u>	<u>1,955,334</u>
Total liabilities	<u>2,488,717</u>	<u>-</u>	<u>2,488,717</u>
<b>Deferred inflows of resources</b>			
Pension related items	23,796	-	23,796
Other postemployment benefit related items	<u>16,611</u>	<u>-</u>	<u>16,611</u>
Total deferred inflows of resources	<u>40,407</u>	<u>-</u>	<u>40,407</u>
<b>Net position</b>			
Net investment in capital assets	10,887,707	-	10,887,707
Restricted for:			
Capital projects	-	1,080,837	1,080,837
Net pension and OPEB assets	45,159	-	45,159
Unrestricted	<u>1,465,199</u>	<u>-</u>	<u>1,465,199</u>
Total net position	<u>\$ 12,398,065</u>	<u>\$ 1,080,837</u>	<u>\$ 13,478,902</u>

**CITY OF STAYTON**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**WATER FUND**  
**Year Ended June 30, 2025**

	<b>Water</b>	<b>Water System Development Charges</b>	<b>Eliminations</b>	<b>Total Water Fund</b>
<b>Operating revenues</b>				
Charges for services	\$ 2,319,500	\$ -	\$ -	\$ 2,319,500
<b>Operating expenses</b>				
Personnel services	389,706	-	-	389,706
Materials and services	682,386	-	-	682,386
Depreciation	338,640	-	-	338,640
Total operating expenses	1,410,732	-	-	1,410,732
Operating income (loss)	908,768	-	-	908,768
<b>Nonoperating revenues (expenses)</b>				
Grants	13,165	-	-	13,165
Interest income	58,452	56,402	-	114,854
Miscellaneous	9,154	-	-	9,154
Interest expense	(51,701)	-	-	(51,701)
Total nonoperating revenue (expenses)	29,070	56,402	-	85,472
Income (loss) before capital contributions and transfers	937,838	56,402	-	994,240
Capital contributions	93,792	18,090	-	111,882
Transfers in	118,514	-	(118,514)	-
Transfers out	(472,500)	(118,514)	118,514	(472,500)
Change in net position	677,644	(44,022)	-	633,622
Net position - beginning, as previously reported	11,744,147	1,124,859	-	12,869,006
Change in accounting principle	(23,726)	-	-	(23,726)
Net position - beginning, as restated	11,720,421	1,124,859	-	12,845,280
<b>Net position - ending</b>	<b>\$ 12,398,065</b>	<b>\$ 1,080,837</b>	<b>\$ -</b>	<b>\$ 13,478,902</b>

**CITY OF STAYTON**  
**COMBINING STATEMENT OF CASH FLOWS**  
**WATER FUND**  
**Year Ended June 30, 2025**

	<b>Water</b>	<b>Water System Development Charges</b>	<b>Eliminations</b>	<b>Total Water Fund</b>
<b>Cash flows from operating activities</b>				
Receipts from customers	\$ 2,309,009	\$ -	\$ -	\$ 2,309,009
Payments to suppliers	(808,314)	-	-	(808,314)
Payments to employees	(401,229)	-	-	(401,229)
Net cash provided by operating activities	1,099,466	-	-	1,099,466
<b>Cash flows from noncapital financing activities</b>				
Transfers in	118,514	-	(118,514)	-
Transfers out	(472,500)	(118,514)	118,514	(472,500)
Net cash provided by (used in) noncapital financing activities	(353,986)	(118,514)	-	(472,500)
<b>Cash flows from capital and related financing activities</b>				
System development charges received	-	18,090	-	18,090
Other	9,154	-	-	9,154
Acquisition of capital assets	(609,050)	-	-	(609,050)
Principal paid on long-term obligations	(245,000)	-	-	(245,000)
Interest paid on long-term obligations	(85,100)	-	-	(85,100)
Net cash provided by (used in) capital and related financing activities	(929,996)	18,090	-	(911,906)
<b>Cash flows from investing activities</b>				
Interest on investments	58,452	56,402	-	114,854
Net cash provided by investing activities	58,452	56,402	-	114,854
Net increase (decrease) in cash and cash equivalents	(126,064)	(44,022)	-	(170,086)
Cash and cash equivalents - beginning of year	1,322,008	1,124,859	-	2,446,867
<b>Cash and cash equivalents - end of year</b>	<b>\$ 1,195,944</b>	<b>\$ 1,080,837</b>	<b>\$ -</b>	<b>\$ 2,276,781</b>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities</b>				
Operating income (loss)	\$ 908,768	\$ -	\$ -	\$ 908,768
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation	338,640	-	-	338,640
(Increase) decrease in assets and deferred outflows of resources				
Receivables, net	(15,133)	-	-	(15,133)
Inventories	3,507	-	-	3,507
Prepaid items	(142,000)	-	-	(142,000)
Net pension asset	(34,896)	-	-	(34,896)
Net other postemployment benefits asset	(3,216)	-	-	(3,216)
Deferred outflows - pension related items	48,461	-	-	48,461
Deferred outflows - other postemployment benefit related items	5,128	-	-	5,128
Increase (decrease) in liabilities and deferred inflows of resources				
Accounts payable and accrued liabilities	12,565	-	-	12,565
Consumer deposits	4,642	-	-	4,642
Compensated absences payable	2,627	-	-	2,627
Net pension liability	(46,556)	-	-	(46,556)
Net other postemployment benefits liability	(12,026)	-	-	(12,026)
Deferred inflows - pension related items	19,252	-	-	19,252
Deferred inflows - other postemployment benefit related items	9,703	-	-	9,703
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 1,099,466</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,099,466</b>

**CITY OF STAYTON**  
**WATER - ENTERPRISE FUND (MAJOR FUND)**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Charges for services	\$ 2,388,000	\$ 2,319,500	\$ (68,500)
Intergovernmental	686,333	13,165	(673,168)
Interest	45,953	58,452	12,499
Miscellaneous	-	9,154	9,154
	<u>3,120,286</u>	<u>2,400,271</u>	<u>(720,015)</u>
<b>Total revenues</b>			
	<u>3,120,286</u>	<u>2,400,271</u>	<u>(720,015)</u>
<b>Expenditures</b>			
Water	2,969,700	1,689,158	1,280,542
Debt service	330,100	330,100	-
Contingency	149,000	-	149,000
	<u>3,448,800</u>	<u>2,019,258</u>	<u>1,429,542</u>
<b>Total expenditures</b>			
	<u>3,448,800</u>	<u>2,019,258</u>	<u>1,429,542</u>
Excess (deficiency) of revenues over expenditures	<u>(328,514)</u>	<u>381,013</u>	<u>709,527</u>
<b>Other financing sources (uses)</b>			
Transfers in	239,688	118,514	(121,174)
Transfers out	<u>(472,500)</u>	<u>(472,500)</u>	<u>-</u>
	<u>(232,812)</u>	<u>(353,986)</u>	<u>(121,174)</u>
<b>Total other financing sources (uses)</b>			
	<u>(232,812)</u>	<u>(353,986)</u>	<u>(121,174)</u>
Net change in fund balance	(561,326)	27,027	588,353
Fund balance at beginning of year	<u>972,056</u>	<u>1,326,699</u>	<u>354,643</u>
<b>Fund balance at end of year</b>	<b><u>\$ 410,730</u></b>	<b><u>1,353,726</u></b>	<b><u>\$ 942,996</u></b>
<b>Reconciliation to generally accepted accounting principles</b>			
Inventory		111,999	
Net pension asset		34,896	
Net other postemployment benefit asset		10,263	
Capital assets, net		13,111,193	
Deferred outflows of resources		112,654	
Accrued interest payable		(6,258)	
Compensated absences payable		(48,079)	
Net other postemployment benefit liability		(18,436)	
Bonds payable		(2,223,486)	
Deferred inflows of resources		<u>(40,407)</u>	
<b>Net position - ending</b>		<b><u>\$ 12,398,065</u></b>	

**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, 2025**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues</b>			
System development charges	\$ 39,880	\$ 18,090	\$ (21,790)
Interest	<u>41,948</u>	<u>56,402</u>	<u>14,454</u>
Total revenues	<u>81,828</u>	<u>74,492</u>	<u>(7,336)</u>
<b>Other financing sources (uses)</b>			
Transfers out	<u>(239,688)</u>	<u>(118,514)</u>	<u>121,174</u>
Total other financing sources (uses)	<u>(239,688)</u>	<u>(118,514)</u>	<u>121,174</u>
Net change in fund balance	(157,860)	(44,022)	113,838
Fund balance at beginning of year	<u>883,910</u>	<u>1,124,859</u>	<u>240,949</u>
<b>Fund balance at end of year</b>	<b><u>\$ 726,050</u></b>	<b><u>\$ 1,080,837</u></b>	<b><u>\$ 354,787</u></b>

**CITY OF STAYTON**  
**COMBINING STATEMENT OF NET POSITION**  
**WASTEWATER FUND**  
**June 30, 2025**

	Wastewater	Wastewater System Development Charges	Total Wastewater Fund
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 4,864,112	\$ 669,797	\$ 5,533,909
Receivables, net	368,508	-	368,508
Inventory	493,518	-	493,518
Total current assets	5,726,138	669,797	6,395,935
Net pension asset	52,128	-	52,128
Net other postemployment benefits asset	16,497	-	16,497
Capital assets			
Capital assets, nondepreciable	5,754,557	-	5,754,557
Capital assets, net of accumulated depreciation	19,657,568	-	19,657,568
Total capital assets	25,412,125	-	25,412,125
Total assets	31,206,888	669,797	31,876,685
<b>Deferred outflows of resources</b>			
Pension related items	85,619	-	85,619
Other postemployment benefit related items	9,524	-	9,524
Total deferred outflows of resources	95,143	-	95,143
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities	825,132	-	825,132
Accrued interest payable	156,112	-	156,112
Consumer deposits	64,033	-	64,033
Compensated absences	43,297	-	43,297
Bonds payable	622,653	-	622,653
Total current liabilities	1,711,227	-	1,711,227
Noncurrent liabilities			
Compensated absences	5,193	-	5,193
Bonds payable	7,327,579	-	7,327,579
Net other postemployment benefits liability	25,373	-	25,373
Total noncurrent liabilities	7,358,145	-	7,358,145
Total liabilities	9,069,372	-	9,069,372
<b>Deferred inflows of resources</b>			
Pension related items	67,185	-	67,185
Other postemployment benefit related items	25,323	-	25,323
Total deferred inflows of resources	92,508	-	92,508
<b>Net position</b>			
Net investment in capital assets	17,461,893	-	17,461,893
Restricted for:			
Capital projects	-	669,797	669,797
Debt service	517,490	-	517,490
Net pension and OPEB assets	68,625	-	68,625
Unrestricted	4,092,143	-	4,092,143
Total net position	<u>\$ 22,140,151</u>	<u>\$ 669,797</u>	<u>\$ 22,809,948</u>

**CITY OF STAYTON**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**WASTEWATER FUND**  
**Year Ended June 30, 2025**

	Wastewater	Wastewater System Development Charges	Eliminations	Total Wastewater Fund
<b>Operating revenues</b>				
Charges for services	\$ 4,306,662	\$ -	\$ -	\$ 4,306,662
<b>Operating expenses</b>				
Personnel services	585,212	-	-	585,212
Materials and services	1,376,966	-	-	1,376,966
Depreciation	586,012	-	-	586,012
Total operating expenses	2,548,190	-	-	2,548,190
Operating income (loss)	1,758,472	-	-	1,758,472
<b>Nonoperating revenues (expenses)</b>				
Grants	621,222	-		621,222
Interest income	259,351	37,753	-	297,104
Miscellaneous	18,833	-	-	18,833
Interest expense	(205,902)	-	-	(205,902)
Total nonoperating revenue (expenses)	693,504	37,753	-	731,257
Income (loss) before capital contributions and transfers	2,451,976	37,753	-	2,489,729
Capital contributions	86,360	13,477	-	99,837
Transfers in	110,708	-	(110,708)	-
Transfers out	(590,200)	(123,844)	110,708	(603,336)
Change in net position	2,058,844	(72,614)	-	1,986,230
Net position - beginning, as previously reported	20,102,778	742,411	-	20,845,189
Change in accounting principle	(21,471)	-	-	(21,471)
Net position - beginning, as restated	20,081,307	742,411	-	20,823,718
<b>Net position - ending</b>	<b>\$ 22,140,151</b>	<b>\$ 669,797</b>	<b>\$ -</b>	<b>\$ 22,809,948</b>



**CITY OF STAYTON**  
**COMBINING STATEMENT OF CASH FLOWS**  
**WASTEWATER FUND**  
**Year Ended June 30, 2025**

	Wastewater	Wastewater System Development Charges	Eliminations	Total Wastewater Fund
<b>Cash flows from operating activities</b>				
Receipts from customers	\$ 4,270,926	\$ -	\$ -	\$ 4,270,926
Payments to suppliers	(757,177)	-	-	(757,177)
Payments to employees	(599,361)	-	-	(599,361)
Net cash provided by (used in) operating activities	2,914,388	-	-	2,914,388
<b>Cash flows from noncapital financing activities</b>				
Grants	621,222	-	-	621,222
Transfers out	(590,200)	-	-	(590,200)
Net cash provided by (used in) noncapital financing activities	31,022	-	-	31,022
<b>Cash flows from capital and related financing activities</b>				
Transfers in	110,708	-	(110,708)	-
Transfers out	-	(123,844)	110,708	(13,136)
System development charges received	-	13,477	-	13,477
Other	18,833	-	-	18,833
Acquisition of capital assets	(3,359,051)	-	-	(3,359,051)
Principal paid on long-term obligations	(582,356)	-	-	(582,356)
Interest paid on long-term obligations	(236,541)	-	-	(236,541)
Net cash provided by (used in) capital and related financing activities	(4,048,407)	(110,367)	-	(4,158,774)
<b>Cash flows from investing activities</b>				
Interest on investments	259,351	37,753	-	297,104
Net cash provided by (used in) investing activities	259,351	37,753	-	297,104
Net increase (decrease) in cash and cash equivalents	(843,646)	(72,614)	-	(916,260)
Cash and cash equivalents - beginning of year	5,707,758	742,411	-	6,450,169
<b>Cash and cash equivalents - end of year</b>	<b>\$ 4,864,112</b>	<b>\$ 669,797</b>	<b>\$ -</b>	<b>\$ 5,533,909</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>				
Operating income (loss)	\$ 1,758,472	\$ -	\$ -	\$ 1,758,472
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	586,012	-	-	586,012
(Increase) decrease in assets and deferred outflows of resources				
Receivables, net	(38,865)	-	-	(38,865)
Inventories	83,329	-	-	83,329
Net pension asset	(52,128)	-	-	(52,128)
Net other postemployment benefits asset	(4,804)	-	-	(4,804)
Deferred outflows - pension related items	72,392	-	-	72,392
Deferred outflows - other postemployment benefit related items	7,661	-	-	7,661
Increase (decrease) in liabilities and deferred inflows of resources				
Accounts payable and accrued liabilities	536,460	-	-	536,460
Consumer deposits	3,129	-	-	3,129
Compensated absences payable	(3,316)	-	-	(3,316)
Net pension liability	(59,242)	-	-	(59,242)
Net other postemployment benefits liability	(17,965)	-	-	(17,965)
Deferred inflows - pension related items	28,758	-	-	28,758
Deferred inflows - other postemployment benefit related items	14,495	-	-	14,495
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 2,914,388</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,914,388</b>

**CITY OF STAYTON**  
**WASTEWATER - ENTERPRISE FUND (MAJOR FUND)**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2025**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues</b>			
Charges for services	\$ 4,165,385	\$ 4,306,662	\$ 141,277
Intergovernmental	-	621,222	621,222
Interest	215,463	259,351	43,888
Miscellaneous	<u>-</u>	<u>18,833</u>	<u>18,833</u>
Total revenues	<u>4,380,848</u>	<u>5,206,068</u>	<u>825,220</u>
<b>Expenditures</b>			
Wastewater	5,665,915	5,252,049	413,866
Debt service	819,456	818,897	559
Contingency	<u>284,000</u>	<u>-</u>	<u>284,000</u>
Total expenditures	<u>6,769,371</u>	<u>6,070,946</u>	<u>698,425</u>
Excess (deficiency) of revenues over expenditures	<u>(2,388,523)</u>	<u>(864,878)</u>	<u>1,523,645</u>
<b>Other financing sources (uses)</b>			
Transfers in	983,222	110,708	(872,514)
Transfers out	<u>(590,200)</u>	<u>(590,200)</u>	<u>-</u>
Total other financing sources (uses)	<u>393,022</u>	<u>(479,492)</u>	<u>(872,514)</u>
Net change in fund balance	(1,995,501)	(1,344,370)	651,131
Fund balance at beginning of year	<u>5,171,461</u>	<u>5,687,825</u>	<u>516,364</u>
<b>Fund balance at end of year</b>	<b><u>\$ 3,175,960</u></b>	<b><u>4,343,455</u></b>	<b><u>\$ 1,167,495</u></b>
<b>Reconciliation to generally accepted accounting principles</b>			
Inventory		493,518	
Net pension asset		52,128	
Net other postemployment benefit asset		16,497	
Capital assets, net		25,412,125	
Deferred outflows of resources		95,143	
Accrued interest payable		(156,112)	
Compensated absences payable		(48,490)	
Net other postemployment benefit liability		(25,373)	
Bonds payable		(7,950,232)	
Deferred inflows of resources		<u>(92,508)</u>	
<b>Net position - ending</b>		<b><u>\$ 22,140,151</u></b>	

**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, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
System development charges	\$ 29,700	\$ 13,477	\$ (16,223)
Interest	<u>31,324</u>	<u>37,753</u>	<u>6,429</u>
Total revenues	<u>61,024</u>	<u>51,230</u>	<u>(9,794)</u>
<b>Other financing sources (uses)</b>			
Transfers out	<u>(362,000)</u>	<u>(123,844)</u>	<u>238,156</u>
Total other financing sources (uses)	<u>(362,000)</u>	<u>(123,844)</u>	<u>238,156</u>
Net change in fund balance	(300,976)	(72,614)	228,362
Fund balance at beginning of year	<u>839,074</u>	<u>742,411</u>	<u>(96,663)</u>
<b>Fund balance at end of year</b>	<b><u>\$ 538,098</u></b>	<b><u>\$ 669,797</u></b>	<b><u>\$ 131,699</u></b>

**CITY OF STAYTON**  
**COMBINING STATEMENT OF NET POSITION**  
**STORMWATER FUND**  
**June 30, 2025**

	<b>Stormwater</b>	<b>Stormwater System Development Charges</b>	<b>Total Stormwater Fund</b>
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 899,353	\$ 387,871	\$ 1,287,224
Receivables, net	62,649	-	62,649
Total current assets	962,002	387,871	1,349,873
Net pension asset	4,388	-	4,388
Net other postemployment benefits asset	1,441	-	1,441
Capital assets			
Capital assets, nondepreciable	1,685,712	-	1,685,712
Capital assets, net of accumulated depreciation	5,068,008	-	5,068,008
Total capital assets	6,753,720	-	6,753,720
Total assets	7,721,551	387,871	8,109,422
<b>Deferred outflows of resources</b>			
Pension related items	7,204	-	7,204
Other postemployment benefit related items	696	-	696
Total deferred outflows of resources	7,900	-	7,900
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities	70,214	-	70,214
Accrued interest payable	6,547	-	6,547
Due to other funds	23,000	-	23,000
Unearned revenue	104,675	-	104,675
Bonds payable	31,632	-	31,632
Total current liabilities	236,068	-	236,068
Noncurrent liabilities			
Bonds payable	524,114	-	524,114
Net other postemployment benefits liability	1,681	-	1,681
Total noncurrent liabilities	525,795	-	525,795
Total liabilities	761,863	-	761,863
<b>Deferred inflows of resources</b>			
Pension related items	7,370	-	7,370
Other postemployment benefit related items	2,058	-	2,058
Total deferred inflows of resources	9,428	-	9,428
<b>Net position</b>			
Net investment in capital assets	6,197,974	-	6,197,974
Restricted for:			
Capital projects	-	387,871	387,871
Net pension and OPEB assets	5,829	-	5,829
Unrestricted	754,357	-	754,357
Total net position	<u>\$ 6,958,160</u>	<u>\$ 387,871</u>	<u>\$ 7,346,031</u>

**CITY OF STAYTON**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**STORMWATER FUND**  
**Year Ended June 30, 2025**

	<b>Stormwater</b>	<b>Stormwater System Development Charges</b>	<b>Eliminations</b>	<b>Total Stormwater Fund</b>
<b>Operating revenues</b>				
Charges for services	\$ 708,040	\$ -	\$ -	\$ 708,040
<b>Operating expenses</b>				
Personnel services	49,812	-	-	49,812
Materials and services	236,687	-	-	236,687
Depreciation	132,135	-	-	132,135
Total operating expenses	418,634	-	-	418,634
Operating income (loss)	289,406	-	-	289,406
<b>Nonoperating revenues (expenses)</b>				
Grants	289,348	-	-	289,348
Interest income	30,391	25,777	-	56,168
Interest expense	(20,118)	-	-	(20,118)
Total nonoperating revenue (expenses)	299,621	25,777	-	325,398
Income (loss) before capital contributions and transfers	589,027	25,777	-	614,804
Capital contributions	-	29,361	-	29,361
Transfers in	174,610	-	(174,610)	-
Transfers out	(238,300)	(174,610)	174,610	(238,300)
Change in net position	525,337	(119,472)	-	405,865
Net position - beginning	6,432,823	507,343	-	6,940,166
<b>Net position - ending</b>	<b>\$ 6,958,160</b>	<b>\$ 387,871</b>	<b>\$ -</b>	<b>\$ 7,346,031</b>

**CITY OF STAYTON**  
**COMBINING STATEMENT OF CASH FLOWS**  
**STORMWATER FUND**  
**Year Ended June 30, 2025**

	<b>Stormwater</b>	<b>Stormwater System Development Charges</b>	<b>Eliminations</b>	<b>Total Stormwater Fund</b>
<b>Cash flows from operating activities</b>				
Receipts from customers	\$ 795,723	\$ -	\$ -	\$ 795,723
Payments to suppliers	(199,341)	-	-	(199,341)
Payments to employees	(50,449)	-	-	(50,449)
Net cash provided by (used in) operating activities	545,933	-	-	545,933
<b>Cash flows from noncapital financing activities</b>				
Payments on interfund loan	(23,000)	-	-	(23,000)
Transfers out	(238,300)	-	-	(238,300)
Net cash provided by (used in) noncapital financing activities	(261,300)	-	-	(261,300)
<b>Cash flows from capital and related financing activities</b>				
Transfers in	174,610	-	(174,610)	-
Transfers out	-	(174,610)	174,610	-
System development charges received	-	29,361	-	29,361
Grants	289,348	-	-	289,348
Acquisition of capital assets	(295,194)	-	-	(295,194)
Principal paid on long-term obligations	(30,585)	-	-	(30,585)
Interest paid on long-term obligations	(20,497)	-	-	(20,497)
Net cash provided by (used in) capital and related financing activities	117,682	(145,249)	-	(27,567)
<b>Cash flows from investing activities</b>				
Interest on investments	30,391	25,777	-	56,168
Net cash provided by (used in) investing activities	30,391	25,777	-	56,168
Net increase (decrease) in cash and cash equivalents	432,706	(119,472)	-	313,234
Cash and cash equivalents - beginning of year	466,647	507,343	-	973,990
<b>Cash and cash equivalents - end of year</b>	<b>\$ 899,353</b>	<b>\$ 387,871</b>	<b>\$ -</b>	<b>\$ 1,287,224</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>				
Operating income (loss)	\$ 289,406	\$ -	\$ -	\$ 289,406
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	132,135	-	-	132,135
(Increase) decrease in assets and deferred outflows of resources				
Receivables, net	(16,992)	-	-	(16,992)
Net pension asset	(4,388)	-	-	(4,388)
Net other postemployment benefits asset	(404)	-	-	(404)
Deferred outflows - pension related items	6,093	-	-	6,093
Deferred outflows - other postemployment benefit related items	645	-	-	645
Increase (decrease) in liabilities and deferred inflows of resources				
Accounts payable and accrued liabilities	37,346	-	-	37,346
Deferred revenues	104,675	-	-	104,675
Net pension liability	(4,712)	-	-	(4,712)
Net other postemployment benefits liability	(1,512)	-	-	(1,512)
Deferred inflows - pension related items	2,421	-	-	2,421
Deferred inflows - other postemployment benefit related items	1,220	-	-	1,220
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 545,933</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 545,933</b>

**CITY OF STAYTON**  
**STORMWATER - ENTERPRISE FUND (MAJOR FUND)**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**Year Ended June 30, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Charges for services	\$ 700,000	\$ 708,040	\$ 8,040
Intergovernmental	40,000	289,348	249,348
Interest	18,583	30,391	11,808
	<u>758,583</u>	<u>1,027,779</u>	<u>269,196</u>
<b>Total revenues</b>			
	<u>758,583</u>	<u>1,027,779</u>	<u>269,196</u>
<b>Expenditures</b>			
Stormwater	1,139,461	582,330	557,131
Debt service	74,097	74,082	15
Contingency	53,363	-	53,363
	<u>1,266,921</u>	<u>656,412</u>	<u>610,509</u>
<b>Total expenditures</b>			
	<u>1,266,921</u>	<u>656,412</u>	<u>610,509</u>
Excess (deficiency) of revenues over expenditures	<u>(508,338)</u>	<u>371,367</u>	<u>879,705</u>
<b>Other financing sources (uses)</b>			
Transfers in	700,000	174,610	(525,390)
Transfers out	(238,300)	(238,300)	-
	<u>461,700</u>	<u>(63,690)</u>	<u>(525,390)</u>
<b>Total other financing sources (uses)</b>			
	<u>461,700</u>	<u>(63,690)</u>	<u>(525,390)</u>
Net change in fund balance	(46,638)	307,677	354,315
Fund balance at beginning of year	<u>158,541</u>	<u>479,436</u>	<u>320,895</u>
<b>Fund balance at end of year</b>	<b><u>\$ 111,903</u></b>	<b><u>787,113</u></b>	<b><u>\$ 675,210</u></b>
<b>Reconciliation to generally accepted accounting principles</b>			
Net pension asset		4,388	
Net other postemployment benefit asset		1,441	
Capital assets, net		6,753,720	
Deferred outflows of resources		7,900	
Accrued interest payable		(6,547)	
Due to other funds		(23,000)	
Net other postemployment benefit liability		(1,681)	
Bonds payable		(555,746)	
Deferred inflows of resources		<u>(9,428)</u>	
<b>Net position - ending</b>		<b><u>\$ 6,958,160</u></b>	

**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, 2025**

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	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
System development charges	\$ 36,482	\$ 29,361	\$ (7,121)
Interest	<u>18,920</u>	<u>25,777</u>	<u>6,857</u>
Total revenues	<u>55,402</u>	<u>55,138</u>	<u>(264)</u>
<b>Other financing sources (uses)</b>			
Transfers out	<u>(400,000)</u>	<u>(174,610)</u>	<u>225,390</u>
Total other financing sources (uses)	<u>(400,000)</u>	<u>(174,610)</u>	<u>225,390</u>
Net change in fund balance	(344,598)	(119,472)	225,126
Fund balance at beginning of year	<u>507,604</u>	<u>507,343</u>	<u>(261)</u>
<b>Fund balance at end of year</b>	<b><u>\$ 163,006</u></b>	<b><u>\$ 387,871</u></b>	<b><u>\$ 224,865</u></b>



**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, 2025**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues</b>			
Licenses, permits and fees	\$ 5,000	\$ 30,891	\$ 25,891
Interest	13,746	21,317	7,571
Miscellaneous	-	116	116
Total revenues	18,746	52,324	33,578
<b>Expenditures</b>			
Public works administration	950,709	793,665	157,044
Contingency	48,000	-	48,000
Total expenditures	998,709	793,665	205,044
Excess (deficiency) of revenues over expenditures	(979,963)	(741,341)	238,622
<b>Other financing sources (uses)</b>			
Transfers in	874,600	900,872	26,272
Transfers out	(39,333)	(39,333)	-
Total other financing sources (uses)	835,267	861,539	26,272
Net change in fund balance	(144,696)	120,198	264,894
Fund balance at beginning of year	298,405	290,016	(8,389)
<b>Fund balance at end of year</b>	<b>\$ 153,709</b>	<b>410,214</b>	<b>\$ 256,505</b>
<b>Reconciliation to generally accepted accounting principles</b>			
Net pension asset		37,542	
Net other postemployment benefit asset		13,599	
Deferred outflows of resources		144,709	
Compensated absences payable		(43,559)	
Net other postemployment benefit liability		(27,903)	
Deferred inflows of resources		(50,325)	
<b>Net position - ending</b>		<b>\$ 484,277</b>	

**CITY OF STAYTON**  
**COMBINING STATEMENT OF NET POSITION**  
**PENSION TRUST FUNDS**  
**June 30, 2025**

	<b>Retirement Plan for Employees of the City of Stayton</b>	<b>Retirement Health Insurance Account</b>	<b>Totals</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 280,554	\$ 8,736	\$ 289,290
Receivables	43,275	909	44,184
Investments, at fair value			
Mutual funds	<u>12,304,315</u>	<u>383,147</u>	<u>12,687,462</u>
 Total assets	 <u>12,628,144</u>	 <u>392,792</u>	 <u>13,020,936</u>
<b>Net position</b>			
Net position held in trust for:			
Pension benefits	12,628,144	-	12,628,144
Other postemployment benefits	<u>-</u>	<u>392,792</u>	<u>392,792</u>
 Total net position	 <u><u>\$ 12,628,144</u></u>	 <u><u>\$ 392,792</u></u>	 <u><u>\$ 13,020,936</u></u>

**CITY OF STAYTON**  
**COMBINING STATEMENT OF CHANGES IN NET POSITION**  
**PENSION TRUST FUNDS**  
**Year Ended June 30, 2025**

	<b>Retirement Plan for Employees of the City of Stayton</b>	<b>Retirement Health Insurance Account</b>	<b>Totals</b>
<b>Additions</b>			
Contributions	\$ 530,997	\$ 11,145	\$ 542,142
Investment earnings	<u>1,250,448</u>	<u>38,944</u>	<u>1,289,392</u>
Total additions	<u>1,781,445</u>	<u>50,089</u>	<u>1,831,534</u>
<b>Deductions</b>			
Benefits	<u>442,914</u>	<u>9,600</u>	<u>452,514</u>
Total deductions	<u>442,914</u>	<u>9,600</u>	<u>452,514</u>
Change in net position	1,338,531	40,489	1,379,020
Net position - beginning of year	<u>11,289,613</u>	<u>352,303</u>	<u>11,641,916</u>
<b>Net position - end of year</b>	<b><u>\$ 12,628,144</u></b>	<b><u>\$ 392,792</u></b>	<b><u>\$ 13,020,936</u></b>

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## **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, 2025, and have issued our report thereon dated December 29, 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  
December 29, 2025

Budgets legally required

In the detail budget document for the 2025-27 budget, the historical actual resources for fiscal year 2022-23 and 2023-24 do not agree to actual amounts as follows:

Fund/Appropriation	Budget	Actual	Variance
2023-24 General - Total Resources	8,242,512	8,349,511	106,999
2023-24 Street - Total Resources	3,814,484	3,801,115	(13,369)
2023-24 Water - Total Resources	3,425,132	3,440,757	15,625
2023-24 Wastewater - Total Resources	10,571,381	10,564,343	(7,038)
2023-24 Stormwater - Total Resources	989,329	988,940	(389)
2023-24 Public Works Admin - Total Resources	1,048,686	1,040,050	(8,636)
2022-23 General - Total Resources	7,680,296	7,775,676	95,380
2022-23 Water - Total Resources	2,866,769	2,882,393	15,624
2022-23 Wastewater - Total Resources	9,276,898	9,269,861	(7,037)
2022-23 Stormwater - Total Resources	764,390	764,001	(389)

**OAR 162-010-0230 Internal Controls**

In planning and performing our audit over 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*

December 29, 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, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 29, 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*

December 29, 2025