

FEDERAL GRANT COMPLIANCE REPORT  
CITY OF STAYTON

Year Ended June 30, 2025

# CITY OF STAYTON

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**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited City of Stayton’s (the “City”) compliance with the types of compliance requirements identified as subject to an audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City’s major federal programs for the year ended June 30, 2025. The City’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City’s compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City’s federal programs.

Mayor and Members of the City Council

City of Stayton

Independent Auditor's Report on Compliance for Each Major Federal Program;

Report on Internal Control over Compliance; and Report on the Schedule of

Expenditures of Federal Awards Required by the Uniform Guidance

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during our audit.

### **Report on Internal Control over Compliance**

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

Mayor and Members of the City Council  
City of Stayton  
Independent Auditor's Report on Compliance for Each Major Federal Program;  
Report on Internal Control over Compliance; and Report on the Schedule of  
Expenditures of Federal Awards Required by the Uniform Guidance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal controls over compliance and therefore, material weaknesses or significant deficiencies may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

#### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the City as of and for the year ended June 30, 2025, and have issued our report thereon dated December 29, 2025, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Singer Lewak LLP*

December 29, 2025

**CITY OF STAYTON**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**June 30, 2025**

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**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of report the auditor issued on whether the financial statements were prepared in accordance with GAAP: *Unmodified*

Internal controls over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? No

**Federal awards**

Internal control over major federal programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major federal programs:

<u>Assistance Living Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as a low-risk auditee? No

**Section II - Financial Statement Findings**

None reported.

**Section III - Federal Award Findings and Questioned Costs**

None reported.

**CITY OF STAYTON**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year Ended June 30, 2025

<b>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</b>	<b>Federal Assistance Listing Number</b>	<b>Pass Through Entity Identifying Number</b>	<b>Total Federal Expenditures</b>	<b>Pass Through to Subrecipients</b>
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
<i>Passed through State of Oregon</i>				
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228		\$ 7,374	\$ -
Total Department of Housing and Urban Development			7,374	-
<b>DEPARTMENT OF JUSTICE</b>				
<i>Passed through Oregon State Police</i>				
National Criminal History Improvement Program (NCHIP)	16.554		24,594	-
Total Department of Justice			24,594	-
<b>DEPARTMENT OF TRANSPORTATION</b>				
<i>Direct Funding</i>				
Safe Streets and Roads for All	20.939		48,025	-
<b>National Highway Safety Administration</b>				
<i>Highway Safety Cluster</i>				
<i>Passed through Oregon Impact</i>				
National Priority Safety Program	20.616	HFTJF5P1G7B5	\$ 1,348	
National Priority Safety Program	20.616	HFTJF5P1G7B3	792	
State and Community Highway Safety	20.600	HFTJF5P1G7B3	2,328	
State and Community Highway Safety	20.600	HFTJF5P1G7B4	1,599	-
Total Highway Safety Cluster			6,067	-
Total Department of Transportation			54,092	-
<b>DEPARTMENT OF THE TREASURY</b>				
<i>Passed through Marion County</i>				
Coronavirus State and Local Fiscal Recovery funds	21.027		210,610	
<i>Direct funding</i>				
Coronavirus State and Local Fiscal Recovery funds	21.027		829,712	1,040,322
Total Department of the Treasury			1,040,322	-
<b>Total Expenditures of Federal Awards</b>			<b>\$ 1,126,382</b>	<b>\$ -</b>

**CITY OF STAYTON**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2025**

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**1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City of Stayton under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Stayton.

**2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**3. Indirect Cost Rate**

The City of Stayton has elected not to use the minimis indirect cost rate allowed under the Uniform Guidance.



**CITY OF STAYTON**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year Ended June 30, 2025

<b>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</b>	<b>Federal Assistance Listing Number</b>	<b>Pass Through Entity Identifying Number</b>	<b>Total Federal Expenditures</b>	<b>Pass Through to Subrecipients</b>
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
<i>Passed through State of Oregon</i>				
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228		\$ 7,374	\$ -
Total Department of Housing and Urban Development			7,374	-
<b>DEPARTMENT OF JUSTICE</b>				
<i>Passed through Oregon State Police</i>				
National Criminal History Improvement Program (NCHIP)	16.554		24,594	-
Total Department of Justice			24,594	-
<b>DEPARTMENT OF TRANSPORTATION</b>				
<i>Direct Funding</i>				
Safe Streets and Roads for All	20.939		48,025	-
<b>National Highway Safety Administration</b>				
<i>Highway Safety Cluster</i>				
<i>Passed through Oregon Impact</i>				
National Priority Safety Program	20.616	HFTJF5P1G7B5	\$ 1,348	
National Priority Safety Program	20.616	HFTJF5P1G7B3	792	
State and Community Highway Safety	20.600	HFTJF5P1G7B3	2,328	
State and Community Highway Safety	20.600	HFTJF5P1G7B4	1,599	6,067
Total Highway Safety Cluster			6,067	-
Total Department of Transportation			54,092	-
<b>DEPARTMENT OF THE TREASURY</b>				
<i>Passed through Marion County</i>				
Coronavirus State and Local Fiscal Recovery funds	21.027		210,610	
<i>Direct funding</i>				
Coronavirus State and Local Fiscal Recovery funds	21.027		829,712	1,040,322
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