1. 2:00 P.M. Agenda

   Documents:

   2023-08-16 City Council Regular Meeting Agenda.pdf

2. Meeting Material

   2023-062-Financial-Report-Urban-Renewal

   2023-062-Financial-Report-General-Fund

   2023-062-Financial-Report-Debt-Services

   2023-062-Financial-Report-Council

   Documents:

   Fwd Proposed Trolley Transport.pdf
   City Manager Report August 2023 V2.Pdf
   JULY Status On Public Works Items.pdf
   Water Status.pdf
   CC Action Item - Housing Grant.pdf
   RESOLUTION For DLCD Housing Grant.pdf
   CC Action Item - CM Hours.pdf
   CoY 22 - City Of Yachats FY22.Pdf
   CoY 22 - Internal 2 Summary Of Revenues And Expenditures - City Of Yachats.pdf
   URD 22 - Internal 2 Summary Of Revenues And Expenditures - City Of Yachats Urban Renewal District.pdf
   URD 22 - Yachats URD FY22.Pdf
   PROPOSED ADMINISTRATIVE POLICY 24 - Check Signers.pdf
   PROPOSED CHANGE - ADMINISTRATIVE POLICY 17 - Accounts Payable Procedures.pdf
   PROPOSED City Council Action Item Cover Sheet - Admin Policy 17 And Proposed Admin Policy 4 - Aug 2023.Pdf
   Tolley Service City Council Action Items.pdf
   Yachats Area Trolley V3.Pdf
   Implementation Of Parking Study.pdf
   Sample Sign With Logo For Hwy 101.Pdf
   PARKING -1.1.Pdf
   PARKING 1.2.Pdf
   CC Action Item - Fences, Etc..Pdf
   Fences Walls Ordinance.pdf
   JGD - ODOE Grant Timeline For City Council Discussion Aug.pdf

3. Survey Monkey Survey Link

   Surveymonkey.com

4. Documents Added After Meeting

   Documents:

   City Of Yachats FY Update.pdf

CITY OF YACHATS
441 N Hwy 101, Civic Meeting Room 1
CITY COUNCIL WORK SESSION & REGULAR MEETING
August 16, 2023, at 2:00 pm
To Be Held In-Person & Via Zoom

Join Zoom Meeting
https://us02web.zoom.us/j/89654498587
Meeting ID: 896 5449 8587

Work Session

I. Review and Discussion of Parking Implementation Plans

Regular Council Meeting

II. Announcements, Proclamations, and Correspondence
III. **Public Comment** - limited to items not on the agenda (5-minute limitation per person)
IV. **Consent Agenda** – Vote to Approve
a. City Manager Report
b. Public Works Report
c. Commission/Committee Summary (will be available at the Sept. Mtg)
d. Financial Reports – Finance Committee, Summary 22/23

V. New Business
a. Resolution 2023-219 – Public Works & Streets Appointments
b. Resolution for DLCD Housing Grant
c. City Manager Schedule and Compensation Revision
d. Audit Summary 21/22 and acceptance
e. Administrative Policies: Check Signing
f. Yachats Area Trolly

VI. Ongoing Business
a. Parking Plan Phase 1 Implementation vote
b. Planning Commission – Second Public Hearing: Fences, Walls, and Hedges Ordinance Changes (Vote)
c. Resiliency Grant: Deliverables and Process (Danos)
d. SWLCPUD Council Approval to discuss proposals

The Yachats City Council meetings are open to the public and interested citizens are invited to attend via Zoom. These are open meetings under Oregon law, but a work session is not a community forum; audience participation is at the discretion of the Council. Meetings are audio-recorded. The meeting are accessible to persons with disabilities. For accommodations, please call (541) 547-3565, or Oregon Relay 1-800-735-2900 TDD) two days in advance. City of Yachats does not discriminate on the basis of race, color, religion, creed, gender, national origin, age, disability, marital or veteran status, sexual orientation, or any other legally protected status. Sign language or foreign language interpreter may be available, with advance notice. Call City Hall at 541-547-3565 or Oregon Relay 1-800-735-2900 (TDD) two days in advance. POSTED August 15, 2023 By: Kimmie Jackson Deputy City Recorder

VI. **Discussion: Next meeting possible September Work Session topics**

a. Announce Interview dates
b. Housing Advisory Fact Sheet
c. CIP Process
d. Fence at the Brush Box location
e. Tom Kerns - Environmental

VII. Other Business

a. From the Mayor: City Manager recruitment status
b. From Council : Juno Tour Summary
c. From Staff

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From: Mayor
Sent: Tuesday, August 15, 2023 8:39 PM
To: City Recorder
Subject: Fwd: Proposed Trolley transport

This is the email re. the trolley sent to City Councilors.

From: Hogan Anthea <antheahogan@gmail.com>
Sent: Monday, August 7, 2023 2:32:50 PM
To: Mayor <Mayor@YachatsMail.org>; Mary Ellen O'Shaughnessey <MaryEllen@YachatsMail.org>; Catherine <catherine@YachatsMail.org>; Greg@yachatsmail.org <greg@YachatsMail.org>; Barry - Yachats city council <barry@YachatsMail.org>
Subject: Proposed Trolley transport

As a concerned resident caring deeply about keeping the unique character and sense of conservationism that prevails here, I am writing this as an addendum to the online survey I have just completed about the proposed trolley service.

It is necessary for me to do this as the survey provides no space for responses detailing why the boxes checked are chosen.

1. The character of Yachats will be undeniably changed by the addition of a Disney World style trolley. Yachats is not a theme park like Disneyland, or a tourist attraction like San Francisco, or any other Californian-style beach destination with commercialized boardwalks and high-end shopping. Its charm lies in the opposite, a unique connection with the natural marine and geologic world. If coming here encourages people to park their cars and walk, so much the better for them, as most visitors coming here already know.

2. Maybe concentrating on creating more easily accessible disabled parking spaces and board walks would help facilitate this very welcome part of the visiting population.

3. Additionally, safe construction of more pedestrian pavements along 101 would encourage visitors to walk from nearby motels into town.

4. A trolley service of any kind, especially one that is going to encompass the route to and from Cape Perpetua, is going to cause traffic backups on 101 and take over connecting residential streets, including Ocean View Drive north of the river and Yachats Ocean Road to the south. Yachats residential streets are narrow and not built for trolley or bus vehicles, which adds to its existing charm. That fact could inevitably lead to the kind of road-widening mission-creep that should be avoided.

5. Also, anyone proposing any kind of trolley service should be considering nothing less than an all-electric vehicle.

I hope the points raised above will be helpful in debating this unwelcome proposal. That said, I do want you to know that all the time and care you put into creating and delivering the ongoing goals for Yachats, especially the water resiliency program, are welcome and very much appreciated.

Respectfully,
Anthea Hogan
224.203.4894

City Manager Report

We have hired Neal Morphis to track and facilitate capital improvement projects, help nail down IT problems, and assist with code violations.

Preliminary discussions with YCBC on creating a space near the pallet homes for charging phones etc., to discourage people from hanging out near YYFAP when the kids are outside.

Resiliency Plan is moving forward, hired Kathryn Torrence as a contractor to help navigate this project. We had a long, informative discussion with ODOE.

We are still working with Civic + to iron out some issues.

Boardwalk is progressing. Engineer scope of return came back.

Traffic plan is ongoing.

The Commons is not as bad as we originally thought. Krystal is moving forward with some basic repairs to get it ready for winter, and to improve the sound and lighting.

101 delineators – ODOT notified us that they are late with funding due to internal issues.

Defibrillators arrived and are either installed or being installed. City Hall received training.

A task force (Mayor, City Manager, Rick M, Tom) to ensure water for Yachats, led by the Mayor, has made progress in discussions to gain water from our neighbors.

Emergency cache materials was picked up Public Works and brought here. The city's great Disaster Preparedness Committee picked up the supplies from City Hall and taken to the conex.

Backwash status has stalled due to contractor labor issues.

No change in status for the Little Log Museum. Engineer is developing a scope of work for that job.

ARPA certification is in slow motion. We are working on it but waiting until after the deadline has made this really challenging. We got through the initial process. Now we are waiting to learn what is next.

2nd street progressing well.

Land acquisition next to the water plant still needs to be purchased.

END OF 2022-2023

1. HWY 101 Delineators:
    a. The agreement with ODOT has been signed by the city and returned to ODOT
        i. ODOT has been asked to confirm next steps……..
        ii. Engineer has been asked for Fee and timeline for Project.
2. East 2nd Street Work:
    a. Work is underway:
        i. Waterline, not where it should have been is found and being replaced as work continues
        ii. Approx. completion is end of August
3. South Lincoln Water Dist: (Primarily Rick & Mayor)
    a. A group led by the Mayor is determining the approach to take and will set up a meeting with South Lincoln.
    b. Need to create a CIP to get Oregon Water Resources Dept. to work on the Stream Survey.
        i. Need to know if there will be water available for us in a drought.
        ii. Yachats to become a customer of SLWD
    c. Need to establish and verify their water rights and measure the actual amount of water they have access to at critical times.
    d. Determine actual requirement for upgrade of Dick Forks Water Plant
4. Stormwater Master Plan: No change
    a. Westech Engineering is working on it
    b. Estimated time for draft to review is December
    c. Draft will be sent out to all Commissioners to review and we will spend at one if not 2 meetings to discuss, with Engineer available for questions
    d. The Commission will make recommendations and it will go to Council for a presentation by Engineer.
5. SDC Study:
    a. SDC Study is to determine where our charges are according to State Guidelines and to obtain very specific and clear definitions of how the SDC funds can or cannot be used.
    b. May meeting we moved to recommended to Council that this become a CIP and allow us to solicit Consultants for the Study.
    c. The council did discuss and do not feel it is required. More discussion to follow to sell the need for the project. Planning has a need to define in SDC's special requirements for housing.
    d. Cost of Study is recommended to come from SDC Funds, approximate cost $60,000
6. Emergency Preparedness Committee:
    a. Lincoln County has given us a 2nd chance at getting the $2500 towards preparing for Disasters.
    b. Conex in place at the Fire Station, Alex has prepared it and painted it to match the Fire Station. Shelving in place and awaiting the supplies that have been ordered.
7. Utility Rates:
    a. Completion of original Study and recommendations from Tice needs to be determined if final presentation is desired.
    b. Presentation/discussion on changing rates by Tom Lauritzen August Meeting

8. La De Da Lane: (No Change)
    a. PW suggest waiting until Green Space Plan is developed, and Skateboard Park Design approved then coordinate needs regarding use of the Lane and condition it should be: improved or remain as is.
    b. Need to know status of Skateboard Park improvements……..still unknown
9. Transportation Plan:
    a. Rick and Commissioner Don Phipps have completed the grant to assist the city in obtaining a Transportation Study that is currently very much out of date.
10. Land Acquisition (Edmonds Property adjacent to Water Plant):
    a. Our motion to recommend to Council to hire a Real estate Agent to make a contingent offer on the Property that a Geotechnical Study will show the property will physically support up to a total of 3) 250,000-gallon Water storage tanks, PW equipment or a possible structure.: This was approved by Council July 19th meeting.
11. Land Acquisition (O'Neill Property-Old Landmark – east end of proposed Boardwalk)
    a. Recommendation to CM, Council & CM to hire a Real Estate Agent to review issues of the property and make an offer for City Ownership needs to happen yet.
12. Parking Study:
    a. Commission has at the urging of the CM begun the implementation of the Parking Plan.
        i. Temporary Striping was completed prior to the 4th of July on 4th Street and Pontiac & 4th
        ii. Working with Planning to determine next priority
        iii. Presenting to Council soon with approach and cost to finish project. Part of it will become a CIP while some will be accomplished by the Commission.
        iv. Some work may be put out to Bid to relieve workload on PW
13. Boardwalk:
    a. Boardwalk along Ocean View Dr is now a CIP, Engineer redefining Scope and timeline for the Project.
14. Submersible Pump: No change
    a. At the pump stations these will be installed this coming year and will not be an item the public will be visually fond of. The Commission needs to understand what it will look like and assist in determining how to dress it up and ease the Public comments in advance.
15. Solicitations going out and Investigations for:
    a. Hire 2-3 individuals to work at PW----Positions have been posted
    b. Need 2 trucks for PW – looking for:
        i. Heavy Duty Service Truck
        ii. ~~Utility Ranger type with ability to have hoist (1500#)~~ has been found and purchased

Submitted by: Linn West, Don Groth, Rick McClung, Dave Buckwald

WATER STATUS JULY 2023

Raw Water Flows are dropping at a steady rate and currently our flow is at 345 gpm. As a reminder the city code says we enter a Phase 1 water restrictions when the combined flows of Reedy & Salmon creeks get down to 275 gpm.

2015 was one of our driest years on record and the city reached Phase 2 restriction and was about to go into Phase 3 -but finally the rain started.

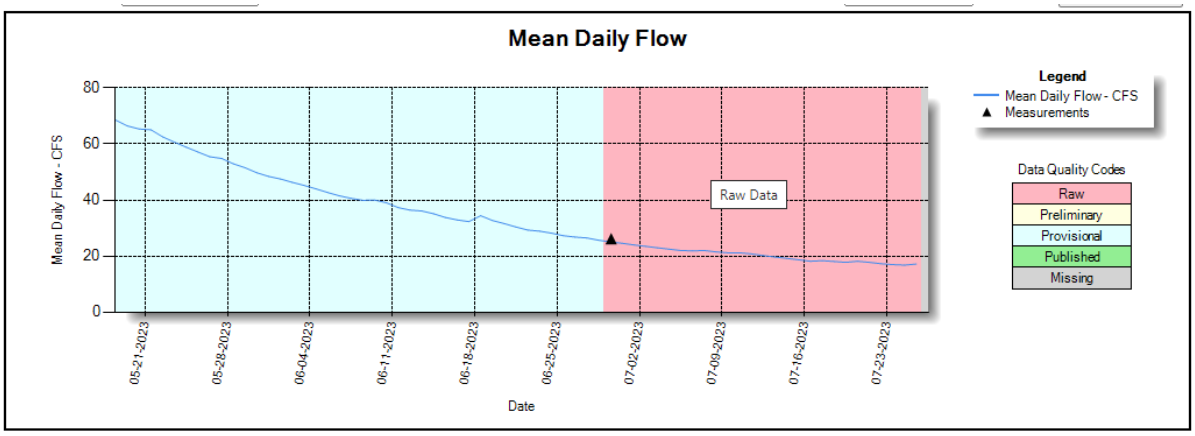
If the city was using the Yachats river as a water source, we would near a phase 3 restriction.

For phase definitions click this link - [Chapter 8.22 - Water Shortage Emergency Regulations (qcode.us)]

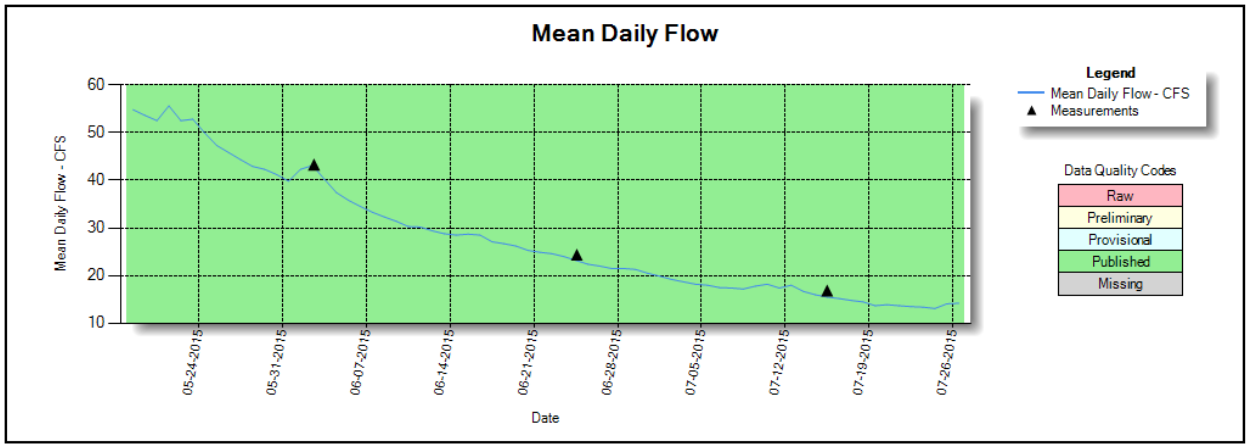
Here are the **current flows** and a record of what the flow of the Yachats river in 2015.

Current Gallons Per Minute	
Reedy Cr	205
Salmon Cr	140
Total	**345**

2023 Yachats River



2015 Yachats River



City Council Action Item Cover Sheet

Date of Council Meeting:

Agenda Item:

Letter of Support for DLCD Housing Grant application

Question Before Council:

Will Council authorize the Mayor to sign a letter of support on their behalf for a State planning and implementation grant? The State allows the support letter from the elected officials to be submitted post-grant submittal.

Person/Group Initiating Request:

City Planning Commission and City Planner

Item Summary/Background:

At the request of the City Planning Commission and invitation from the State Department of Land Conservation and Development (DLCD), the City Planner submitted a two-year plannig grant application to DLCD at the end of July, 2023. This grant, if awarded, would fund a DLCD-selected planning consultant to help the City adopt and implement municipal code amendments, Housing Implementation Plan, Comprehensive Plan amendments, and Housing Needs Assessment to help the City improve its housing diversity, affordability, and availability.

Resolution For Council:

See sample letter of support in Council packet.

RESOLUTION NO. _____

A RESULTION APPROVING A GRANT APPLICATION SUBMITTAL
TO THE OREGON DEPARTMENT OF LAND CONSERVATION AND DEVELOPMENT
FOR THE 2023-25 PLANNING ASSISTANCE GRANT

FINDINGS: Oregon's Department of Land Conservation and Development is accepting applications for a 2023-25 Planning Assistance Grant program regarding Comprehensive Plan and Development Code Amendments Related to Housing.

The City of Yachats desires to apply for funding assistance and participate in this grant program to fund citizen involvement, analysis, and planning for Comprehensive Plan and Development Code Amendments that will help to improve local housing diversity and capacity.

The grant will fund Planning Consultant Assistance for amendments to City's municipal code recommended by the City's 2023 Housing Implementation Plan to enable, at a minimum, increased housing diversity and capacity, adoption of the City's 2022 Housing Needs Assessment, and related updates to the City's Comprehensive Plan. Yachats Municipal Code amendments will address uses, standards and criteria, and possibly remapping.

NOW, THEREFOR BE IT RESOLVED BY THE YACHATS CITY COUNCIL, AS FOLLOWS,

Section 1. The Yachats City Council hereby demonstrates its support for and authorizes the City Planner to complete and submit a grant application to the Oregon Department of Land Conservation and Development for the 2023-2025 Planning Assistance Grant(s);

Section 2. This resolution is effective immediately upon its enactment by the City Council.

INTRODUCED AND APPROVED by the Yachats City Council at their regular meeting this 16th day of August, 2023.

City of Yachats, Oregon

By:_____
Craig Berdie, Mayor

Attest:

By:_____
Rick Sant, Interim City Manager

City Council Action Item Cover Sheet

16-Aug

Agenda Item:

Change City Manager's hours and benefits.

Question Before Council:

Approve hours and benefits change for City Manager

Person/Group Initiating Request:

Rick Sant, current interim City Manager

Item Summary/Background:

Change City Manager's hours to Tuesday thru Friday for 32 hours per week. Off on Friday.
Add medical and dental benefits. Cost would be about $1,500 per month.
Effective September 1, 2023 running through November.

Financial Statements

June 30, 2022

City of Yachats

CITY OF YACHATS
LINCOLN COUNTY, OREGON

OFFICERS AND MEMBERS OF THE GOVERNING BOARD
June 30, 2022

City Council

Leslie Vaaler, Mayor
P.O. Box 345
Yachats, Oregon, 97498

Ann Stott, President
P.O. Box 345
Yachats, Oregon, 97498

Anthony Muirhead
P.O. Box 345
Yachats, Oregon, 97498

Mary Ellen O'Shaughnessey
P.O. Box 345
Yachats, Oregon, 97498

Greg Scott
P.O. Box 345
Yachats, Oregon, 97498

Heide Lambert
City Manager
P.O. Box 345
Yachats, Oregon 97498

Address of Registered Office
P.O. Box 345
Yachats, Oregon 97498

CITY OF YACHATS
LINCOLN COUNTY, OREGON
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2022

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council
City of Yachats
Yachats, Oregon 97498

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, the aggregate blended component unit, each major fund, and the aggregate remaining fund information of City of Yachats, Oregon, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The City of Yachats' management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, aggregate blended component unit, each major fund, and the aggregate remaining fund information of the City of Yachats, Oregon, as of June 30, 2022, and the respective changes in modified cash basis financial position and, where applicable, cash flows thereof for the year then ended in accordance with the basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describe the basis of accounting. The financial statements are prepared on a modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Report of Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Yachats' basis financial statements. The accompanying supplementary information is presented for purposes of additional analysis and are not a required part of the basic financial statements.

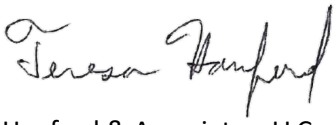
The budgetary comparison information presented on pages 40-47 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

The introductory information on pages 3-5 have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on such information.

Reports on Other Legal and Regulatory Requirements

We have also issued our report dated August 3, 2023, 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit and should be considered in assessing the results of our audit.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated August 3, 2023 on our consideration of the City's compliance with certain provisions of laws and regulations 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.



Hanford & Associates, LLC
West Richland, Washington
August 3, 2023

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF YACHATS
MODIFIED CASH BASIS STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities	Business Type Activities	Total
ASSETS			
Cash and investments	$ 5,673,642	$ 3,128,977	$ 8,802,619
Capital assets, net	10,177,935	8,255,664	18,433,599
Total assets	15,851,577	11,384,641	27,236,218
LIABILITIES			
Loans Payable			
Due within one year	421,835	-	421,835
Due in more than one year	3,585,444	-	3,585,444
Bonds payable:			
Due within one year	33,000	31,839	64,839
Due in more than one year	347,000	334,736	681,736
Total liabilities	4,387,279	366,575	4,753,854
NET POSITION			
Invested in capital assets	5,790,656	7,889,089	13,679,745
Restricted	2,227,269	187,056	2,414,325
Unrestricted	3,446,373	2,941,921	6,388,294
Total net position	$ 11,464,298	$ 11,018,066	$ 22,482,364

See notes to the financial statements.

CITY OF YACHATS
MODIFIED CASH BASIS STATEMENT OF ACTIVITIES
JUNE 30, 2022

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	**Business-Type Activities**	**Total**
$ (595,528)	$ -	$ (595,528)
(307,502)	-	(307,502)
-	-	-
(298,628)	-	(298,628)
(150,282)	-	(150,282)
(1,351,940)	-	(1,351,940)
-	143,778	143,778
-	(175,012)	(175,012)
-	(31,234)	(31,234)
(1,351,940)	(31,234)	(1,383,174)
508,261	-	508,261
46,384	-	46,384
1,378,354	-	1,378,354
403,176	-	403,176
96,393	-	96,393
421,048	-	421,048
19,074	-	19,074
455,553	60,039	515,592
(457,000)	457,000	-
2,871,243	517,039	3,388,282
1,519,303	485,805	2,005,108
9,944,996	10,532,259	20,477,255
$ 11,464,298	$ 11,018,064	$ 22,482,362

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
$ (652,703)	$ -	$ (652,703)
(441,314)	-	(441,314)
-	-	-
(240,756)	-	(240,756)
(170,147)	-	(170,147)
(1,504,920)	-	(1,504,920)
-	261,398	261,398
-	(48,636)	(48,636)
-	212,762	212,762
(1,504,920)	212,762	(1,292,158)
461,740	-	461,740
45,618	-	45,618
1,320,827	-	1,320,827
423,226	-	423,226
89,621	-	89,621
313,825	-	313,825
30,967	-	30,967
362,095	83,673	445,768
(976,602)	976,602	-
2,071,317	1,060,275	3,131,592
566,397	1,273,037	1,839,434
9,378,600	9,259,222	18,637,822
$ 9,944,996	$ 10,532,259	$ 20,477,255

See notes to the financial statements.

FUND FINANCIAL STATEMENTS

CITY OF YACHATS
MODIFIED CASH BASIS BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	General Fund	Capital Expenditure Fund	Debt Service Reserve Fund
ASSETS			
Cash and Investments	$ 2,364,689	$ 1,179,810	$ 1,087,742
Total Assets	**2,364,689**	**1,179,810**	**1,087,742**
FUND BALANCES			
Restricted			
Debt Services	-	-	765,648
Urban renewal	-	-	-
Streets	10,181	-	-
Tourism/Visitor Amenities	605,269	-	-
Construction, improvements and equipment	-	-	-
Assigned	-	1,179,810	322,094
Unassigned	1,749,239	-	-
Total fund Balances	**$ 2,364,689**	**$ 1,179,810**	**$ 1,087,742**

SDC Fund	Urban Renewal District Component Unit	Total Governmental Funds
$ 751,226	$ 290,175	$ 5,673,642
751,226	**290,175**	**5,673,642**
-	-	765,648
-	290,175	290,175
-	-	10,181
-	-	605,269
555,996	-	555,996
195,230	-	1,697,134
-	-	1,749,239
$ 751,226	**$ 290,175**	**$ 5,673,642**

See notes to the financial statements.

CITY OF YACHATS
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO
STATEMENT OF NET POSITION
JUNE 30, 2022

TOTAL FUND BALANCES	**$ 5,673,642**
Capital assets are not financial resources or obligations and therefore are not reported in the Governmental funds:	
Cost of capital assets	$ 10,177,935
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. These liabilities consist of:	
Bonds Payable	$ (380,000)
Loans Payable	$ (4,007,279)
TOTAL NET POSITION	**$ 11,464,298**

CITY OF YACHATS
MODIFIED CASH BASIS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
JUNE 30, 2022

	General Fund	Capital Expenditure Reserve Fund	Debt Service Reserve Fund
REVENUES			
Property Taxes	$ 45,603	$ -	$ 46,384
Other Taxes and assessments	1,593,247	324,000	403,176
Intergovernmental	226,048	91,300	195,000
Licenses and permits	33,691	-	-
Charges for services	25,624	-	-
Investment revenue	3,333	6,635	2,944
Other local revenue	7,937	-	-
Miscellaneous	4,293	-	-
Total Revenues	**1,939,776**	**421,935**	**647,504**
EXPENDITURES			
Current			
General government	380,788	-	-
Public Works	106,595	-	-
Culture and recreation	324,252	-	-
Debt Services	-	-	-
Principle	-	-	478,711
Interest	-	-	150,282
Capital outlay	-	66,494	-
Total expenditures	**811,635**	**66,494**	**628,993**
Excess (deficiency) of revenues over (under) expenditure	1,128,141	355,441	18,511
OTHER FINANCING SOURCES (USES)			
Operating transfers in	525,000	213,000	43,000
Operating transfers out	(713,000)	(525,000)	-
Total Other financing sources (uses)	**(188,000)**	**(312,000)**	**43,000**
Net Change in fund balances	940,141	43,441	61,511
BEGINNING FUND BALANCES	1,424,548	1,136,369	1,026,231
ENDING FUND BALANCE	**$ 2,364,689**	**$ 1,179,810**	**$ 1,087,742**

SDC Fund	Urban Renewal District Component Unit	Total
$ -	$ 462,658	$ 554,645
-	-	2,320,423
-	-	512,348
-	-	33,691
160,287	-	185,911
2,803	3,359	19,074
-	823	8,760
-	-	4,293
163,090	**466,840**	**3,639,145**
-	211,750	592,538
-	386,000	492,595
-	-	324,252
-	-	-
-	-	478,711
-	-	150,282
-	-	66,494
-	**597,750**	**2,104,872**
163,090	(130,910)	1,534,273
-	-	781,000
-	-	(1,238,000)
-	**-**	**(457,000)**
163,090	(130,910)	1,077,273
588,136	421,085	4,596,369
$ 751,226	**$ 290,175**	**$ 5,673,642**

See notes to the financial statements.

CITY OF YACHATS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2022

NET CHANGE IN FUND BALANCE	$	1,077,273
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. However, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their useful lives as annual depreciation expenses in the Statement of Activities.	$	(36,681)
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. These liabilities consist of:		
Change in long-term debt payable	$	478,711
CHANGE IN NET POSITION	**$**	**1,519,303**

PROPRIETARY FUNDS

CITY OF YACHATS
MODIFIED CASH BASIS STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF JUNE 30, 2022

	Water Fund	Sewer Fund	Total Proprietary
ASSETS			
Current assets			
Cash and investments	$ 1,923,969	$ 1,205,008	$ 3,128,977
Total current assets	1,923,969	1,205,008	3,128,977
Noncurrent assets			
Capital assets, net	2,466,453	5,789,211	8,255,664
Total noncurrent liabilities	2,466,453	5,789,211	8,255,664
Total assets	**4,390,422**	**6,994,219**	**11,384,641**
LIABILITIES			
Current liabilities			
Revenue bonds payable - current portion	31,839	-	31,839
Total current liabilities	31,839	-	31,839
Noncurrent liabilities			
Revenue bonds payable	334,736	-	334,736
Total noncurrent liabilities	334,736	-	334,736
Total liabilities	**366,575**	**-**	**366,575**
NET POSITION			
Invested in capital assets, net of related debt	2,099,878	5,789,211	7,889,089
Restricted	65,996	121,060	187,056
Unrestricted	1,857,973	1,083,948	2,941,921
Total net position	**$ 4,023,847**	**$ 6,994,219**	**$ 11,018,066**

See notes to the financial statements.

CITY OF YACHATS
MODIFIED CASH BASIS STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Water Fund	Sewer Fund	Total Proprietary
OPERATING REVENUES			
Charges for services	$ 797,993	$ 744,213	$ 1,542,206
Intergovernmental	12,000	50,000	62,000
Other revenues	4,405	55,634	60,039
Total operating revenues	**814,398**	**849,847**	**1,664,245**
OPERATING EXPENSES			
Public works			
Personnel services	265,996	291,903	557,899
Materials and services	293,666	521,416	815,082
Depreciation	106,551	155,906	262,457
Total operating expenses	**666,213**	**969,225**	**1,635,438**
Operating income (loss)	148,185	(119,378)	28,807
NON-OPERATING REVENUES (EXPENSES)			
Operating transfers in	500,000	-	500,000
Operating transfers out	(43,000)	-	(43,000)
Total non-operating revenues (expenses)	**457,000**	**-**	**457,000**
Change in net position	605,185	(119,378)	485,807
BEGINNING NET POSITION	3,418,662	7,113,597	10,532,259
ENDING NET POSITION	**$ 4,023,847**	**$ 6,994,219**	**$ 11,018,066**

See notes to the financial statements.

CITY OF YACHATS
MODIFIED CASH BASIS STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Water Fund	Sewer Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	$ 814,398	$ 849,847	$ 1,664,245
Cash payments for goods and services	(293,666)	(521,416)	(815,082)
Cash payments to employees	(265,996)	(291,903)	(557,899)
Net cash provided by (used by) operating activities	**254,736**	**36,528**	**291,264**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating transfers in	500,000	-	500,000
Operating transfers (out)	(43,000)	-	(43,000)
Net cash provided by (used by) noncapital financing activities	**457,000**	**-**	**457,000**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(37,435)	6,551	(30,884)
Net cash provided by (used by) noncapital financing activities	**(37,435)**	**6,551**	**(30,884)**
Increase (decrease) in cash and investments	674,301	43,079	717,380
CASH AND INVESTMENTS, BEGINNING OF YEAR	1,249,668	1,161,929	2,411,597
CASH AND INVESTMENTS, END OF YEAR	1,923,969	1,205,008	3,128,977
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income (loss)	**148,185**	**(119,378)**	**28,807**
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation	106,551	155,906	262,457
Total adjustments	**106,551**	**155,906**	**262,457**
Net cash provided by operating activities	**$ 254,736**	**$ 36,528**	**$ 291,264**

See notes to the financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity and Nature of Operations

The City of Yachats (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, funds, and the component unit for which the City is 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.

The City Council serves as the governing board of the Yachats Urban Renewal District. Therefore, the accounts of the district are included in the financial statements of the City.

Complete financial statements for the Yachats Urban Renewal District may be obtained from the City's finance department.

B. Government-Wide and Fund Financial Statements

The City's financial statements include both government-wide (reporting the City as a whole) and fund financial statements.

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about all the City's non-fiduciary activities as a whole within the limitations of the modified cash basis of accounting. These statements distinguish between activities that are governmental and those that are considered businesslike. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues. The primary effects of internal activity have been eliminated from the government-wide financial statements.

C. Fund Accounting

The accounts of the City are organized on the basis of funds. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise the fund's assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements report detailed information about the City. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type.

Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The major funds used in these financial statements by the City are as follows:

Governmental Funds

All governmental funds are accounted for using the modified cash basis of accounting and the current financial resources measurement focus. Revenues are recognized when cash is received, and expenditures are recorded when paid.

Proprietary Funds

All proprietary funds are also accounted for using the modified cash basis of accounting and they include fixed assets and debt. These funds account for operations that are primarily financed by user charges.

Funds

The City reports the following *major governmental funds:*

- **General Fund** - This fund accounts for all revenues and expenditures except for those required to be accounted for in another fund. The principal revenue sources are transient room taxes and property taxes.

- **Capital Expenditure Reserve Fund-** This fund is a capital expenditure fund that accounts for resources to be used for purchase of capital assets to be used by governmental funds. Also, transfers out are utilized to service existing sewer debt. The primary revenue sources for this fund are special assessment program revenue, earnings on investments, intergovernmental grants, transfers from other funds, and Federal and State grants.

- **Debt Service Reserve Fund-** This is a debt service fund which accounts for money held in reserve for debt service as required by various loan covenants. The primary revenue sources for this fund are property taxes, food and beverage taxes, Urban Renewal District payments, and transfers from other funds.

- **System Development Charges Fund-** This is a special revenue fund which accounts for acquisition and construction of improvements and expansion of infrastructure assets.

- **Urban Renewal District -** This fund is a blended component unit of the City that receives property taxes to pay for projects and programs to improve the Urban Renewal District.

The City reports the following *major proprietary funds*:

- **Water Operating Fund**- This fund accounts for activities of the Water Department. The City also maintains capital reserve funds in the Water Fund. The primary revenue sources for the capital reserves are grants and transfers from Water Operations and other funds.

- **Sewer Operating Fund**- This fund accounts for activities of the Sewer Department. The City also maintains capital reserve funds in the Sewer Fund. The primary revenue sources for the capital reserves are grants, transfers from Sewer Operations and other funds, and payments from the Urban Renewal District.

The City does not report any non-major governmental or proprietary funds.

D. Budgets

A budget is prepared and legally adopted for each governmental fund type in accordance with legal requirements set forth in the Oregon Local Budget Law. The resolutions authorizing appropriations for each fund sets the maximum legal level of expenditure. Appropriations are adopted in the categories of personnel services, materials and services, capital outlay, debt service, interfund transfers, and contingencies by fund. Appropriations lapse at year end.

Unexpected additional revenues may be added to the budget through the adoption of a supplemental budget. A supplemental budget requires hearings before the public, publications in newspapers, and approval by the City Council. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by the City Council. Budget amounts shown in the financial statements include the original budget amounts plus any approved appropriation transfers and supplemental budgets. All funds are budgeted using the cash basis of accounting.

The budget comparison schedules prepared for individual accounts are presented on the cash basis method of accounting. Under this method revenue is recorded when received and disbursements are recorded when obligations are paid. The cash basis method of accounting is not consistent with generally accepted accounting principles (GAAP) but is in compliance with Oregon Local Budget Law.

The City does not expect next year's operating budget to be substantially different from the current 2021-2022 budget.

Oregon Local Budget Law establishes standard procedures relating to the preparation, adoption, and execution of the annual budget. The budgetary fiscal period coincides with the annual reporting period (July 1 through June 30). Appropriated budgets are adopted by the executive body and, accordingly, used as a management control device for all funds. The City follows these procedures in establishing the budgetary data reflected in the budgetary comparison schedules:

1. The budget officer submits to the budget committee a proposed operating budget for the fiscal year commencing the following July 1. The operating budget included proposed expenses and the means of financing them, along with estimates for the current year, and actual data for the two preceding years. The budget is prepared by fund, function, and activity, and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year. The resolution authorizing appropriations for each fund sets the level by which disbursements cannot legally exceed appropriations. The City has appropriated by personnel services, materials and services, capital outlay, special payments, debt service, transfers, and operating contingency.

   The original budget document contains more specific, detailed information for these disbursement categories.

2. The Budget Committee submits to the City Council an approved operating budget for the ensuing fiscal year.

3. Public hearings are conducted to obtain taxpayer and other interested parties' comments.

4. Prior to July 1, the budget is legally adopted, and expenditures are appropriated through the passage of a resolution. The City Council does have the authority to make certain limited changes in the budget figures approved by the Budget Committee when it adopts the budget.

5. Any revisions of appropriations, whether within a fund or between funds, require Board approval in the form of a resolution or ordinance by the Board. Supplemental budgets are prepared and adopted in the same manner as the regular budget in order to have the budget authority to make disbursements from unanticipated receipts. The presented budgetary information has been amended by resolutions and supplemental budget.

6. Budgets are adopted for each fund on the cash basis in compliance with Oregon Local Budget Law, under which revenues and related assets are recognized when received rather than when earned, and expenses are recognized when paid, rather than when the obligation is incurred, which is not intended to be in accordance with generally accepted accounting principles.

7. Formal budget integration is employed for all the funds. All annual appropriations lapse at fiscal year-end.

We reviewed the preparation, adoption, and execution of the budget for the current year and the preparation and adoption of the ensuing year's budget.

Based on the results of our tests, the City has complied with statutory requirements for the current and ensuing year's budgets.

The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations.

E. Cash and Investments

Investments, included in cash and investments, are carried at cost which approximates fair value. For purposes of the statement of cash flows, the proprietary funds consider cash and cash equivalents to include the cash and investment common pool. These amounts have the general characteristics of demand deposit accounts in that all funds may deposit additional cash at any time and also effectively may withdraw cash at any time without prior notice or penalty.

State statutes authorize the City to invest in banker's acceptances, time certificates of deposit, repurchase agreements, obligations of the U. S. Treasury and its agencies, the Oregon State Treasury's Local Government Investment Pool (LGIP), and demand deposits. The City's investments are entirely with the LGIP. The LGIP is stated at cost, which approximates fair value. Fair value of the LGIP is the same as the City's value in the pool shares.

The Oregon State Treasury administers the LGIP. It is an open-ended no-load diversified portfolio offered to any agency, political subdivision or public corporation of the State that by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP.

F. Capital Assets

Capital assets are recorded at original or estimated original historical cost. Donated capital assets are recorded at their estimated fair market value at the time received. The City defines capital assets as assets with an initial cost of at least $5,000 and an estimated initial useful life extending beyond a single reporting period. Interest incurred during construction is not capitalized. Maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets used in the proprietary funds are depreciated using the straight-line method over the following useful lives:

Vehicles, furniture, and equipment	10 years
Buildings	20 years
Water plant and systems	30 years
Sewer plant and systems	50 years

Upon disposal of such assets, the accounts are relieved of the related costs and accumulated depreciation and resulting gains or losses are reflected in income.

Capital assets used by governmental activities are not supported by a detailed capital asset depreciation schedule and no depreciation has been recorded on these assets (NOTE 4). While the City does not depreciate general governmental capital assets, they set aside financial reserves for City major capital improvements and replacements to ensure fiscal responsibility such as reflected in the Capital Expenditure Reserve Fund's $1,136,369 cash balance at June 30, 2021. In lieu of governmental capital asset depreciation, the City is intending to ensure there are sufficient resources to replace or repair the asset at the end of its useful life.

Since the depreciated value is based on historical cost at acquisition, ultimate replacement or repair costs could end up costing considerably more than the resources set aside attempting to fund assets' depreciation of value.

The City of Yachats uses an approach based on estimated replacement costs. The replacement cost is periodically revised to reflect the effect of inflation. The City's approach to adequately eventually accumulate funds to replace capital assets at current fair value costs, rather than historical acquisition amounts, is conceptually more so reflective of actual future obligations the City is likely to incur when it is necessary to replace the respective capital assets. Along with this process and approach, the City maintains a Finance Committee with the objective of continually monitoring long-term financing needs of the City, identifying potential financial problems, and preparing recommendations in order for the City Council to address and appropriately act on them.

G. Long-term Debt

In the government-wide financial statements long-term debt is reported as a liability in the Statement of Net Position.

H. Net Position

Net position comprises the various net earnings from operations, non-operating revenues, expenses and contributions of capital. Net position is classified in the following categories:

1. **Invested In capital assets** - Consists of net assets that are invested in buildings, equipment, and other capital assets of the City.

2. **Restricted** - Consists of external constraints placed on net position use by creditors, grantors, contributors, laws or regulations of other governments, constraints imposed by law through constitutional provisions, or enabling legislation.

3. **Unrestricted net position** - Consists of all other net assets that are not included in the other categories previously mentioned.

I. Fund Equity

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

Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications – non-spendable, restricted, committed, assigned, and unassigned.

- Non-spendable fund balance represents amounts that are not in a spendable form or because they are legally or contractually required to be maintained intact.

- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation). Also, these are amounts that can be spent only for specific purposes because of the City Charter, City Code, state or federal laws, or externally imposed conditions by granters or creditors.

- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed.

- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body.

- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

The details of the fund balances are included in the Balance Sheet of Governmental Funds. Restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure

authority has been budgeted by Council or the Assignment has been changed by an authorized City official. Decreases to fund balance first reduce Unassigned Fund balance; in the event that Unassigned becomes zero, then Assigned and Committed Fund Balances are used in that order, as applicable.

J. Interfund Transactions

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. This includes interfund transfers occurring within governmental activities and interfund receivables and payables.

NOTE 2- CASH AND CASH EQUIVALENTS

Cash and investments at June 30, 2022 consisted of the following:	
Petty Cash	$ 100
Cash in checking accounts (book balances)	3,779,192
Cash in Local Government Investment Pool	5,023,327
Total Cash and investments	**8,802,619**
Cash and investments by funds at June 30, 2020:	
Governmental Funds	
General Fund	2,364,689
Capital Expenditure Fund	1,179,810
Debt Service Reserve	1,087,742
System Development Charges	751,226
Urban Renewal City (component unit)	290,175
Total Governmental Funds	**5,673,642**
Proprietary Funds	
Water Fund	1,923,969
Sewer Fund	1,205,008
Total Proprietary Funds	3,128,977
Total	**$ 8,802,619**

NOTE 3 - DEPOSITS AND INVESTMENTS

A. Deposits

Deposits with financial Institutions

The Governmental Accounting Standards Board has adopted accounting principles generally accepted in the United States of America (GAAP), which include standards to categorize deposits to give an indication of the level of custodial credit risk assumed by the City at June 30, 2022. If bank deposits at year end are not entirely insured or collateralized with securities held by the City or by its agent in the City's name, the City must disclose the custodial credit risk (below) that exists.

Deposits with financial institutions are comprised of bank demand deposits. For the fiscal year ended

June 30, 2022, the carrying amounts of the City deposits in various financial institutions were $3,779,192. All deposits are held in the name of the City. At June 30, 2022, the City's deposits were covered by federal depository insurance and certifications of participation.

Custodial Credit Risk. Custodial credit risk for deposits is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The City does not have a formal deposit policy for custodial credit risk.

Effective July 1, 2008, House Bill 2901 created a shared liability structure for participating bank depositories in Oregon. Barring any exceptions, a qualifying bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of the quarter-end public fund deposits if they are adequately capitalized, or 110% of the quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public bank depositories is available to repay the deposits of public funds of governmental entities.

B. Investments

The City has invested funds in the State Treasurer's Oregon Short-term Fund Local Government Investment Pool during fiscal year 2021-2022. The Oregon Short-term Fund is the local government investment pool for local governments and was established by the State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short-term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). Local Government Investment Pool (LGIP) is an external investment pool managed by the State Treasurer's office, which allows governments within the state to pool their funds for investment purposes. The amounts invested in the pool are not classified by risk categories because they are not evidenced by securities that exist in physical or book entry form as defined by GASB Statement No. 40.

In addition, the Oregon State Treasury LGIP distributes investment income on an amortized cost basis and participants' equity in the pool is determined by the amount of participant deposits, adjusted for withdrawals and distributed income. Accordingly, the adjustment to fair value would not represent an expendable increase in the City's cash position.

Investments in the Oregon State Treasury LGIP are made under the provisions of ORS 194.180. These funds are held in the City's name and are not subject to collateralization requirements or ORS 295.015. Investments are stated at amortized cost, which approximated fair value.

Credit Risk. State Statutes authorize the city to invest primarily in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, certain commercial papers, and the State Treasurer's Investment Pool, among others. The City has no formal investment policy that further restricts its investment choices.

Concentration of Credit Risk. The City is required to provide information about the concentration of credit risk associated with its investments in one issuer that represents 5 percent or more of the total investments, excluding investments in external investment pools or those issued and explicitly guaranteed by the U.S. Government. The city has no such investments.

Interest Rate Risk. The City has no formal investment policy that explicitly limits investment maturities as a means of managing its exposure to fair value loss arising from increasing interest rates.

NOTE 4 - **CAPITAL ASSETS**

Capital asset activity for governmental activities of the City for the year ended June 30, 2022 was as follows:

Description	Beginning Balance	Additions	Deletions	Ending Balance
GOVERNMENTAL ACTIVITY CAPITAL ASSETS				
Land and improvements	$ 3,539,249	$ -	$ -	$ 3,539,249
Building and improvements	2,168,663	-	-	2,168,663
Streets/HWY 101 Improvement	3,457,651	-	-	3,457,651
Vehicles and Equipment	666,003	-	-	666,003
Software	93,222	-	-	93,222
Books and Periodicals	253,148	-	-	253,148
Total Governmental Capital Assets	**10,177,935**	**-**	**-**	**10,177,935**
BUSINESS TYPE ACTIVITY CAPITAL ASSETS				
Capital assets not depreciated				
Land	**113,035**	**-**	**-**	**113,035**
Capital assets being depreciated				
Building and improvements	232,597	-	-	232,597
Vehicles and equipment	649,955	-	-	649,955
Water plant and system	3,955,393	-	-	3,955,393
Water reservoir	399,205	-	-	399,205
Wastewater treatment plant/system	7,525,839	-	-	7,525,839
Total capital assets being depreciated	**12,762,989**	**-**	**-**	**12,762,989**
Less accumulated depreciation				
Buildings and improvements	89,660	9,559	-	99,219
Vehicles and equipment	353,250	16,413	-	369,663
Water plant and system	1,930,975	77,582	-	2,008,558
Water reservoir	206,039	7,984	-	214,023
Wastewater treatment plant/system	1,777,979	150,919	-	1,928,898
Total Accumulated Depreciation	**4,357,903**	**262,457**	**-**	**4,620,360**
Total Business-Type Capital Assets, Net	8,518,121	(262,457)	-	8,255,664
Total Net Capital Assets	**$ 18,696,057**	**$ (262,457)**	**$ -**	**$ 18,433,599**

As discussed in NOTE 1, the City does not maintain a detailed capital asset depreciation schedule for the

governmental activities. Therefore, no depreciation has been charged to governmental activities. Depreciation expense in the amount of $262,457 was charged to the business-type activities for the fiscal year.

NOTE 5 - LONG-TERM DEBT

In the following table, long-term debt information is presented separately with respect to governmental and business type activities. The table presents current year changes in those obligations and the current portion due for each.

	Issue Amount	Maturity Date	Interest Rate	Beginning Balance 6/30/2021	Issued	Refinanced	Reductions	Ending Balance 6/30/2022	Due in One Year
Governmental Activities									
General Obligations Bonds									
3/17/2017 Water Refunding Bond	$ 533,000	2031	3.00%	$ 412,000	$ -	$ -	$ 32,000	$ 380,000	$ 33,000
Loans									
6/17/05 DEQ	6,671,721	2029	2.90%	3,194,927	-	-	360,301	2,834,626	370,825
5/27/09 IFA Loans	519,343	2033	3.0-4.75%	246,740	-	-	19,575	227,165	20,554
3/9/16 Safe Drinking Water Fund	1,030,000	2048	1.00%	975,642	-	-	30,154	945,488	30,456
Total Governmental activities				**4,829,309**	**-**	**-**	**442,030**	**4,387,279**	**454,835**
Business-type activities									
Revenue Bonds									
3/17/2017 Water Revenue Refunding Bond	$ 512,000	2032	3.07%	397,459	-	-	30,884	366,575	31,839
Total Business-type activities				**$ 397,459**	**$ -**	**$ -**	**$ 30,884**	**$ 366,575**	**$ 31,839**

General obligation bonds are direct obligations and pledge the full faith and credit of the city. The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

Revenue bonds are obligations that will be paid from revenue generated by the respective water or sewer business type activities of the city.

Annual debt service requirements to maturity are as follows:

	General Obligation		Revenue Bonds		Loans	
Year Ending June 30,	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Fees**
2023	33,000	10,905	31,839	11,011	421,835	105,348
2024	34,000	9,900	32,824	10,026	433,999	93,184
2025	36,000	8,850	33,839	9,011	446,534	80,649
2026	36,000	7,770	34,886	7,964	459,453	67,730
2027	37,000	6,675	35,965	6,885	472,765	59,811
2028-2032	204,000	15,660	197,221	17,031	1,177,203	112,001
2033-2037	-	-	-	-	140,244	27,945
2038-2042	-	-	-	-	180,362	19,191
2043-2047	-	-	-	-	189,562	9,991
Thereafter	-	-	-	-	85,323	1,316
Total	**$ 380,000**	**$ 59,760**	**$ 366,575**	**$ 61,928**	**$ 4,007,279**	**$ 577,166**

NOTE 6 - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2022 were as follows:

	Transfers In	Transfers Out
Governmental Funds		
General Fund	$ 525,000	$ 713,000
Capital Expenditure Fund	213,000	525,000
Debt Service Reserve	43,000	-
System Development Charges	-	-
Total Governmental Funds	**781,000**	**1,238,000**
Proprietary Funds		
Water Fund	500,000	43,000
Sewer Fund	-	-
Total Proprietary Funds	**500,000**	**43,000**
Total	**$ 1,281,000**	**$ 1,281,000**

Transfers are routinely made for the following purposes:

- To move revenues from the fund in which statute or budget requires them to be collected to the fund from which statute or budget requires them to be expended;
- To move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due;
- To move unrestricted revenues collected in the General Fund to finance various programs and activities accounted for in other funds in accordance with budgetary authorizations;
- To move revenues collected from restricted sources to other funds to pay for direct expenses
- To move monies to start a new fund.

During fiscal year 2022 all transfers reported above were made for one of these purposes.

NOTE 7 - RISK MANAGEMENT AND CONCENTRATIONS

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance to defray these and other risks of loss including excess liability, workers' compensation, boiler and machinery, public official bond and employee dishonesty and contractor's license bond coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

The City's transient room and food and beverage tax revenues are the largest sources of income for both the General Fund and Capital Expenditures Reserve Fund.

The City has experienced continued increases in Transient Rental Tax from licensed vacation rental properties, along with increased taxable revenue generated by the 8 hotel/motel businesses subject to the Transient Rental Tax. The transient rental tax revenue, net of the amount required to be attributed

to visitor amenities by Oregon Budget Law, provides more than 70% of the City's General Fund.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

On March 8, 2005 voters in the City approved a bond measure. This measure authorizes the City to issue up to $5.9 million to construct, expand and improve the City's sewer system. As of the audit report date, the City has not issued these bonds.

Bonds issued by a city for water; sanitary or storm sewers; sewage disposal plants; hospitals; infirmaries; gas, power, or lighting purposes; the acquisition, establishment, construction, or reconstruction of any off-street motor vehicle parking facility; or bonds issued pursuant to applications to pay assessments for improvements in installments under statutory or city charter authority are not subject to the debt limitation imposed by Oregon Revised Statutes 287.004.

The City researched past System Development Charges (SDC's) apportionments and interfund transfers and/or loans to ensure viability and compliance with all applicable requirements, including State Revised Statutes. The City determined that LID Improvements funded from SDC's were to be returned to the SDC fund as collected from LID assessments.

NOTE 9- INTERFUND LOANS

The City does not currently have interfund loans.

NOTE 10 – VISITOR AMENITIES

Prior to fiscal year 2020, the City of Yachats presented the "Visitor Amenities Fund" as a separate fund. This fund was rolled into the General Fund in fiscal year 2020 and is tracked as a separate department within the General Fund. The purpose of the fund is to promote tourism and finance city functions dedicated wholly or in part to City of Yachats visitors. Current period expenditures included Visitor Center operations, marketing, Parks & Trails operations, Little Log Church Museum operations, and other similar activity. The City contributes 39% of the Transient Lodging taxes collected by the City to finance the Visitor Amenities fund. Following is a summary of the financial activity and position of this department for fiscal year 2022:

Financial Activity:		
Beginning Cash Balance	$	670,852
Transient Lodging Revenues - restricted		537,752
Other Revenues & Transfers In		325,333
Marketing Expenses		131,476
Transfers Out		104,250
Ending Cash Balance	**$**	**1,298,211**

Classification of Ending Cash Balances:		
Restricted Department Balance	$	907,296
Unrestricted Department Balance		390,915
Total Ending Cash Balance	**$**	**1,298,211**

NOTE 11- SUBSEQUENT EVENTS

Professional standards require evaluation and disclosure of significant events affecting the City that take place subsequent to the current fiscal year ended June 30, 2022. For the audit period ending June 30, 2022, no subsequent events were identified for disclosure.

NOTE 12 – CHANGE IN ACCOUNTING PRINCIPLE

There were no changes in accounting principal in fiscal year 2022.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF YACHATS, OREGON
MODIFIED CASH BASIS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET TO ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final
REVENUES				
Property taxes	$ 46,000	$ 46,000	$ 45,603	$ (397)
Other taxes	1,331,141	1,331,141	1,593,247	262,106
Intergovernmental	175,500	175,500	226,048	50,548
Licenses and permits	41,000	41,000	33,691	(7,309)
Charges for services	29,000	29,000	25,624	(3,376)
Investment revenue	11,200	11,200	3,333	(7,867)
Other local revenue	4,000	4,000	7,937	3,937
Miscellaneous	1,000	1,000	4,293	3,293
Total revenues	1,638,841	1,638,841	1,939,776	300,935
EXPENDITURES				
General government	562,000	562,000	380,788	(181,212)
Public works	135,850	135,850	106,595	(29,255)
Culture and recreation	333,300	333,300	324,252	(9,048)
Capital expenditures	-	-	-	-
Total expenditures	1,031,150	1,031,150	811,635	(219,515)
Contingency	57,900	57,900	-	(57,900)
Total expenditures	1,089,050	1,089,050	811,635	(277,415)
Excess (deficiency) of revenues over (under) expenditures	549,791	549,791	1,128,141	578,350
OTHER FINANCING SOURCES (USES)				
Operating transfers in	525,000	525,000	525,000	-
Operating transfers out	(713,000)	(713,000)	(713,000)	-
Total other financing sources (uses)	(188,000)	(188,000)	(188,000)	-
Net change in fund balance	361,791	361,791	940,141	578,350
BEGINNING FUND BALANCE	1,193,493	1,193,493	1,424,548	231,055
ENDING FUND BALANCE	$1,555,284	$1,555,284	$2,364,689	$ 809,405

See notes to the financial statements.

CITY OF YACHATS, OREGON
MODIFIED CASH BASIS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET TO ACTUAL
SYSTEM DEVELOPMENT CHARGES FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Charges for Services	$ 101,491	$ 101,491	$ 160,287	$ 58,796
Investment revenue	4,100	4,100	2,803	(1,297)
				-
Total revenues	105,591	105,591	163,090	57,499
EXPENDITURES				
Current				
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Debt service				-
Principal	-	-	-	-
Interest and fees	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	-	-	-	-
				-
Excess (deficiency) of revenues over (under) expenditures	105,591	105,591	163,090	57,499
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	105,591	105,591	163,090	57,499
BEGINNING FUND BALANCE	582,484	582,484	588,136	5,652
ENDING FUND BALANCE	$ 688,075	$ 688,075	$ 751,226	$ 63,151

See notes to the financial statements.

CITY OF YACHATS, OREGON
MODIFIED CASH BASIS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET TO ACTUAL
BLENDED COMPONENT UNIT- URBAN RENEWAL DISTRICT
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Property taxes	$ 429,354	$ 429,354	$ 462,658	$ 33,304
Other local sources	300	300	823	523
Investment revenue	2,750	2,750	3,359	609
Total revenues	432,404	432,404	466,840	34,436
EXPENDITURES				
General government	17,270	17,270	16,750	(520)
Public works	386,000	386,000	386,000	-
Debt Services	195,000	195,000	195,000	-
Total expenditures	598,270	598,270	597,750	(520)
Excess (deficiency) of revenues over (under) expenditures	(165,866)	(165,866)	(130,910)	34,956
OTHER FINANCING SOURCES (USES)				
Operating transfers out	-	-	-	-
Net change in fund balance	(165,866)	(165,866)	(130,910)	34,956
BEGINNING FUND BALANCE	413,739	413,739	421,085	7,346
ENDING FUND BALANCE	$ 247,873	$ 247,873	$ 290,175	$ 42,302

See notes to the financial statements.

SUPPLEMENTARY INFORMATION

CITY OF YACHATS, OREGON
MODIFIED CASH BASIS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET TO ACTUAL
CAPITAL RESERVE EXPENDITURES FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental	$ 324,000	$ 324,000	$ 324,000	$ -
Anticipated grants	125,000	125,000	91,300	(33,700)
Investment revenue	9,720	9,720	6,635	(3,085)
Total revenues	458,720	458,720	421,935	(36,785)
EXPENDITURES				
Capital outlay	353,800	353,800	66,494	(287,306)
Reserved for future expenditures	-	-	-	-
Total expenditures	353,800	353,800	66,494	(287,306)
Excess (deficiency) of revenues over (under) expenditures	104,920	104,920	355,441	250,521
OTHER FINANCING SOURCES (USES)				
Operating transfers in	203,000	203,000	213,000	10,000
Operating transfers out	(525,000)	(525,000)	(525,000)	-
Total other financing sources (uses)	(322,000)	(322,000)	(312,000)	10,000
Net change in fund balance	(217,080)	(217,080)	43,441	260,521
BEGINNING FUND BALANCE	1,190,775	1,190,775	1,136,369	(54,406)
ENDING FUND BALANCE	$ 973,695	$ 973,695	$1,179,810	$ 206,115

See notes to the financial statements.

CITY OF YACHATS, OREGON
MODIFIED CASH BASIS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET TO ACTUAL
DEBT SERVICE RESERVE FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Property Taxes	$ 45,746	$ 45,746	$ 46,384	$ 638
Food and Beverage Taxes	350,000	350,000	403,176	53,176
Intergovernmental	195,000	195,000	195,000	-
Investment Revenue	4,522	4,522	2,944	(1,578)
Total Revenues	595,268	595,268	647,504	52,236
Expenditures				
Debt Service Principal	478,712	478,712	478,711	(1)
Debt Service Interest	135,202	135,202	135,202	-
Debt Service Fees	15,080	15,080	15,080	-
Total expenditures	628,994	628,994	628,993	(1)
Excess (deficiency) of revenues over (under) expenditures	(33,726)	(33,726)	18,511	52,237
Other financing sources (uses)				
Operating transfers in	43,000	43,000	43,000	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	43,000	43,000	43,000	-
Net change in Fund balance	9,274	9,274	61,511	52,237
Beginning fund balance	1,026,230	1,026,230	1,026,231	1
Ending fund balance	$1,035,504	$1,035,504	$1,087,742	$ 52,238

See notes to the financial statements.

CITY OF YACHATS, OREGON
MODIFIED CASH BASIS STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION-BUDGET TO ACTUAL
WATER FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Final Budget
Revenues				
Charges for services	$ 726,000	$ 726,000	$ 797,993	$ 71,993
Intergovernmental	12,000	12,000	12,000	-
Other revenues	2,500	2,500	4,405	1,905
Total Revenues	740,500	740,500	814,398	73,898
Expenditures				
Public Works				
Personnel services	286,700	286,700	265,996	(20,704)
Materials and services	232,350	232,350	271,040	38,690
Capital expenditures	349,250	349,250	60,061	(289,189)
Contingencies	25,000	25,000	-	(25,000)
Total expenditures	893,300	893,300	597,097	(296,203)
Excess(deficiency) of revenues over (under expenditures	(152,800)	(152,800)	217,301	370,101
Other Financing Sources (Uses)				
Operating transfers in	500,000	500,000	500,000	-
Operating transfers out	(43,000)	(43,000)	(43,000)	-
Net change in net position	304,200	304,200	674,301	370,101
BEGINNING UNRESTRICTED NET POSITION	1,235,212	1,235,212	1,249,668	14,456
ENDING UNRESTRICTED NET POSITION	$1,539,412	$1,539,412	1,923,969	$ 384,557
Net investment in capital assets			2,099,878	
ENDING NET POSITION			$4,023,847	

See notes to the financial statements.

CITY OF YACHATS, OREGON
MODIFIED CASH BASIS STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION-
BUDGET TO ACTUAL
SEWER FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Charges for services	$ 721,000	$ 721,000	$ 744,213	$ 23,213
Intergovernmental	50,000	50,000	50,000	-
Other local revenue	2,500	2,500	5,634	3,134
Total revenues	773,500	773,500	799,847	26,347
EXPENDITURES				
Public works				-
Personnel services	312,200	312,200	291,903	(20,297)
Materials and services	259,200	259,200	246,120	(13,080)
Capital expenditures	403,150	403,150	218,745	(184,405)
Contingencies	25,000	25,000	-	(25,000)
Total expenditures	999,550	999,550	756,768	(242,782)
Excess (deficiency) of revenues over (under) expenditures	(226,050)	(226,050)	43,079	269,129
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Net change in net position	(226,050)	(226,050)	43,079	269,129
BEGINNING UNRESTRICTED NET POSITION	1,090,883	1,090,883	1,161,929	71,046
ENDING UNRESTRICTED NET POSITION	$ 864,833	$ 864,833	$1,205,008	$ 340,175
Net investment in capital assets			5,789,211	
ENDING NET POSITION			$6,994,219	

See notes to the financial statements.

REPORTS ON LEGAL AND OTHER REGULATORY REQUIREMENTS

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed

Independent Auditor's Report

Honorable Mayor and City
Council Members City of Yachats
Yachats, Oregon 97498

We have audited, in accordance with auditing standards generally accepted by the United States of America and the standards applicable to financial audits, the modified cash basis financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of Yachats, Oregon (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated August 3, 2023. As reported in the auditors' opinion on the financial statements, the City prepares its financial statements on the modified cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weakness or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of findings and responses, we identified certain deficiencies that we considered to be significant deficiencies.

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 entity's financial statements will not be prevented or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency 2022-01 described in the accompanying Schedule of Findings and Responses to be a significant deficiency.

Compliance and Other Matters

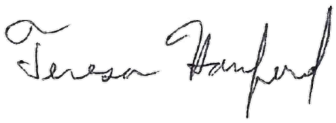
As part of obtaining reasonable assurance about whether the City of Yachats' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material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

Responses to Findings

City of Yachats response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. We did not audit the City of Yachats' response and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. Accordingly, this communication is not suitable for any other purpose.



Hanford & Associates, LLC
West Richland, Washington
August 3, 2023

Schedule of Findings and Responses

Findings – Financial Statement Audit

Significant Deficiency in Internal Control Over Financial Reporting

2022-01 Preparation of Financial Statements

Criteria:
Management is responsible for maintaining an adequate and complete system of internal control to ensure the financial statements are free from material misstatement and error. A complete system of internal control determines the systems adequacy for preparing the financial statements.

An adequate system of internal controls is the responsibility of the government's management. The preparation of the financial statements requires internal controls over both 1) recording, processing and summarizing accounting data (i.e. maintaining internal books and records) and 2) reporting government-wide and fund/accounting financial statements including the related footnotes and supplemental schedules for external reporting.

Condition:
The City of Yachats has elected not to have an internal control system designed to provide for the preparation of the financial statements and related footnotes being audited.

As is the case with many small to medium sized Oregon entities, the City of Yachats has relied on its independent external auditors to assist in the preparation of the financial statements and notes as a part of the external financial reporting process. The City's ability to prepare financial is based, in part, on its external auditors, who cannot be considered a part of the City's internal control structure.

As auditors, we were requested to draft the financial statements and the accompanying notes as well as assist to making the appropriate adjustments to convert the City's financial data into appropriate reporting.

Cause:
This condition was caused by the City's decision to outsource the preparation of the annual financial statements to the external auditors rather than to incur the time and expense of obtaining the necessary training and expertise required for the City to perform this task internally.

Effect:
The control deficiency could result in a misstatement to the financial statements that would not be prevented or detected.

Recommendation:
This circumstance is not unusual. It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

Management's Response:

The City has evaluated the cost v. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP and GASB and determined that it is in the best interests of the government to outsource this task to its qualified accountant and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their content and presentation on a continuous timely basis.

Independent Auditor's Report Required by Oregon State Regulations

We have audited the basic financial statements of the City of Yachats as of and for the year ended June 30, 2022 and have issued our report thereon dated August 3, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the City of Yachats, Oregon'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 the Oregon Administrative Rules 162-10-000 through 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

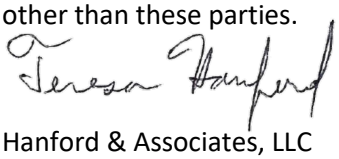
In connection with our testing nothing came to our attention that caused us to believe the City of Yachats was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules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

OAR 162-10-0230 Internal Control

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

We noted certain matters that we reported as finding 2022-01 in the Schedule of Findings and Responses.

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



Hanford & Associates, LLC
West Richland, Washington
August 3, 2023

A. Municipal corporation information

Municipality name
City of Yachats

Municipal customer number
000507MUNI

Report period start date
7/1/2021

Report period end date
6/30/2022

Municipality address
PO Box 345, Yachats, Oregon 97498

Is this a new address?
No

Report type
Audit

Opinion issued
Unmodified

Basis of accounting
Modified cash

B. Financial statement audit -Reported deficiencies

1. Regarding internal controls over financial reporting, how many significant deficiencies and material weaknesses were reported?
1

2. Of those control deficiencies reported, how many resulted in the following:

Accounting errors/Misstatements:
0

Noncompliance:
0

Most deficiencies relate to internal controls over financial reporting. Some control deficiencies might also directly result in accounting errors and misstatements or non-compliance. If any of the findings communicated resulted in accounting errors and misstatements or noncompliance, indicate the number of deficiencies included in the total for B.1 that also pertain to those categories.

3. Select the deficiency communication to be filed in compliance with ORS 297.466. (select one)
Communication in accordance with Statements on Auditing Standards AU-C 265 “Communicating Internal Control Related Matters Identified in an Audit”

If you checked "other" in number 3 above, please specify here:

C. Summary of revenues and expenditures

Revenues and/or receipts

a. Revenues from government-wide statement of activities:
$5,303,388.00

b. Fiduciary fund additions:
$0.00

c. Gross revenues subtotal (a + b):

Expenditures and/or disbursements

a. Expenditures from government-wide statement of activities:
$3,298,280.00

b. Fiduciary fund deductions:
$0.00

c. Gross expenditures subtotal (a + b)

$5,303,388.00

$3,298,280.00

d. Revenues of component units:
$0.00

d. Component unit expenditures reported with primary government:
$0.00

e. Taxes, assessments and other collections to be distributed to other governments:
$0.00

e. Turnovers to other municipal corporations:
$0.00

f. Exempt revenue subtotal (d + e):
$0.00

f. Exempt expenditures subtotal (d + e):
$0.00

g. Net revenues (c - f):
$5,303,388.00

g. Net expenditures (c - f):
$3,298,280.00

D. Filing Fee

Filing fee:
$250.00

ORS 297.485(1): **Net expenditures and/or disbursements**

The filing fee is determined by the total expenditures made by the municipal corporation for any and all purposes during the calendar or fiscal year audited, except that expenditures for principal of bonded debt, principal of short-term loans, principal of warrants redeemed which were issued during prior audit periods, transfers or loans between funds and turnovers of taxes or other trust moneys to other municipal corporations shall not be included in the total expenditures upon which the amount of the fee is based.

E. Submitted by

Licensed Municipal Auditor name:
Teresa Hanford

Municipal license number:
1612

Email
teresa.hanford@hanfordllc.com

Firm name:
Hanford & Associates, LLC

Date:
8/3/2023

Municipal contact name, title:
Interim City Manager Rick Sant

Municipal phone
(541) 547-3565

Municipal contact email
citymanager@yachatsmail.org

Attach file (optional)
City of Yachats FY22 Audit Deficiency.pdf

This form (Summary of Revenues and Expenditures) is due within 30 days of delivering the audit report to the municipal corporation. If deficiencies are communicated in a separate letter or in a report issued in accordance with Government Auditing Standards, a copy of that communication must also be filed. (OAR 162-010-0230)

A. Municipal corporation information

Municipality name
City of Yachats Urban Renewal District

Municipal customer number
0001966MUNI

Report period start date
7/1/2021

Report period end date
6/30/2022

Municipality address
PO Box 345, Yachats, Oregon 97498

Is this a new address?
No

Report type
Audit

Opinion issued
Unmodified

Basis of accounting
Modified cash

B. Financial statement audit -Reported deficiencies

1. Regarding internal controls over financial reporting, how many significant deficiencies and material weaknesses were reported?
0

2. Of those control deficiencies reported, how many resulted in the following:

Accounting errors/Misstatements:
0

Noncompliance:
0

Most deficiencies relate to internal controls over financial reporting. Some control deficiencies might also directly result in accounting errors and misstatements or non-compliance. If any of the findings communicated resulted in accounting errors and misstatements or noncompliance, indicate the number of deficiencies included in the total for B.1 that also pertain to those categories.

3. Select the deficiency communication to be filed in compliance with ORS 297.466. (select one)
No deficiencies

If you checked "other" in number 3 above, please specify here:

C. Summary of revenues and expenditures

Revenues and/or receipts

a. Revenues from government-wide statement of activities:
$466,840.00

b. Fiduciary fund additions:
$0.00

c. Gross revenues subtotal (a + b):
$466,840.00

Expenditures and/or disbursements

a. Expenditures from government-wide statement of activities:
$597,750.00

b. Fiduciary fund deductions:
$0.00

c. Gross expenditures subtotal (a + b)
$597,750.00

d. Revenues of component units:
$0.00

d. Component unit expenditures reported with primary government:
$0.00

e. Taxes, assessments and other collections to be distributed to other governments:
$0.00

e. Turnovers to other municipal corporations:
$0.00

f. Exempt revenue subtotal (d + e):
$0.00

f. Exempt expenditures subtotal (d + e):
$0.00

g. Net revenues (c - f):
$466,840.00

g. Net expenditures (c - f):
$597,750.00

D. Filing Fee

Filing fee:
$200.00

ORS 297.485(1): **Net expenditures and/or disbursements**

The filing fee is determined by the total expenditures made by the municipal corporation for any and all purposes during the calendar or fiscal year audited, except that expenditures for principal of bonded debt, principal of short-term loans, principal of warrants redeemed which were issued during prior audit periods, transfers or loans between funds and turnovers of taxes or other trust moneys to other municipal corporations shall not be included in the total expenditures upon which the amount of the fee is based.

E. Submitted by

Licensed Municipal Auditor name:
Teresa Hanford

Municipal license number:
1612

Email
teresa.hanford@hanfordllc.com

Firm name:
Hanford & Associates, LLC

Date:
8/3/2023

Municipal contact name, title:
Interim City Manager Rick Sant

Municipal phone
(541) 547-3565

Municipal contact email
citymanager@yachatsmail.org

Attach file (optional)

This form (Summary of Revenues and Expenditures) is due within 30 days of delivering the audit report to the municipal corporation. If deficiencies are communicated in a separate letter or in a report issued in accordance with Government Auditing Standards, a copy of that communication must also be filed. (OAR 162-010-0230)

Yachats Urban Renewal Agency

(A Component Unit of the City of Yachats)

Annual Financial Report
For the Fiscal Year Ended June 30, 2022

Yachats Urban Renewal Agency
LINCOLN COUNTY, OREGON

OFFICERS AND MEMBERS OF THE GOVERNING BOARD
June 30, 2022

Agency Officials

Leslie Vaaler
P.O. Box 345
Yachats, Oregon, 97498

Ann Stott
P.O. Box 345
Yachats, Oregon, 97498

Anthony Muirhead
P.O. Box 345
Yachats, Oregon, 97498

Mary Ellen O'Shaughnessey
P.O. Box 345
Yachats, Oregon, 97498

Greg Scott
P.O. Box 345
Yachats, Oregon, 97498

Heide Lambert
Agency Manager
P.O. Box 345
Yachats, Oregon 97498

Address of Registered Office
P.O. Box 345
Yachats, Oregon 97498

YACHATS URBAN RENEWAL AGENCY
LINCOLN COUNTY, OREGON
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2022

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INDEPENDENT AUDITOR'S REPORT

Agency Officials
Yachats Urban Renewal Agency
Yachats, Oregon 97498

We have audited the accompanying modified cash basis financial statements of the governmental activities and the major fund or Yachats Urban Renewal Agency, a component unit of the City of Yachats, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The Agency's management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

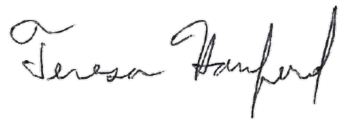
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and the major fund of Yachats Urban Renewal Agency, as of June 30, 2022, and the respective changes in financial position – modified cash basis and the respective budgetary comparison for the General Fund for the year then ended on the basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on a modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by Oregon State Regulations

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated August 3, 2023 on our consideration of the Agency'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.



Hanford & Associates, LLC
West Richland, Washington
August 3, 2023

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

YACHATS URBAN RENEWAL AGENCY
MODIFIED CASH BASIS STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 337,351
Total assets	337,351
NET POSITION	
Restricted	100,000
Unrestricted	237,351
Total net position	$ 337,351

See accompanying notes to the financial statements.

YACHATS URBAN RENEWAL AGENCY
MODIFIED CASH BASIS STATEMENT OF ACTIVITIES
JUNE 30, 2022

	Governmental Activities
GENERAL REVENUES	
Property taxes	462,658
Other local sources	823
Investment earnings	3,359
Total general revenues	466,840
URBAN RENEWAL EXPENDITURES	
Material and services	1,750
Administrative fee	15,000
Transfers to primary government for:	
Construction Projects	386,000
Debt Service	195,000
Total expenditures	597,750
Change in Net Position	(130,910)
Net position - beginning	468,261
Net position - ending	337,351

See accompanying notes to the financial statements.

FUND FINANCIAL STATEMENTS

YACHATS URBAN RENEWAL AGENCY
MODIFIED CASH BASIS BALANCE SHEET
GOVERNMENTAL FUND
JUNE 30, 2022

	General
ASSETS	
Cash and cash equivalents	$ 337,351
Total assets	337,351
FUND BALANCE	
Restricted for debt service	100,000
Unassigned	237,351
Total fund balance	$ 337,351

See accompanying notes to the financial statements.

YACHATS URBAN RENEWAL AGENCY
MODIFIED CASH BASIS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
JUNE 30, 2022

	General
REVENUES	
Property taxes	462,658
Other local sources	823
Investment earnings	3,359
Total revenues	466,840
EXPENDITURES	
Material and services	1,750
Administrative fee	15,000
Transfers to primary government for:	
Water/Wastewater Construction Projects	386,000
Debt Service	195,000
Total expenditures	597,750
Net change in fund balance	(130,910)
Fund balance at beginning of year	468,261
Fund balance at end of year	337,351

See accompanying notes to the financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization (reporting entity)

The Agency, a component unit of the City of Yachats, was organized August 2007 under ORS 457 and is a municipal corporation created by the City of Yachats to facilitate urban renewal within the City boundaries. The City Council serves as the governing body and is accountable for the fiscal matters of the Agency.

B. Urban Renewal Areas

Tax allocation bonds for urban renewal plan areas are authorized by state law to 1) "…eliminate and prevent the development or spread of urban blight and deterioration; and 2) encourage needed urban conservation and rehabilitation and provide for redevelopment of blighted or deteriorated areas."

Projects are financed in urban renewal plan areas as follows:

The Agency (City Council) selects an urban renewal plan area and defines its boundaries.

The county assessor "freezes" the assessed value of property within the urban renewal area. This is referred to as the "frozen" value.

Any increase in assessed value above the frozen value is called the "incremental value." The tax revenue generated by the tax rate times the incremental value is provided for use in financing the urban renewal projects.

As required by ORS 457.190(3)(a), the Agency has included in its current plan the maximum amount of indebtedness that may be issued or incurred under the plan in the amount of $7,589,800. The maximum amount of tax that can be collected under the plan is $7,824,600.

C. Government-Wide and Fund Financial Statements

The statement of net position and the statement of activities display information about the Agency, including all of its financial activities. Governmental activities are financed primarily through property taxes and proceeds from borrowings.

The statement of activities presents a comparison between direct expenses and program revenues for the Agency's program. The Agency does not allocate indirect expenses. Program revenues include grants and contributions that are restricted to meeting operational requirements. Revenues that are not classified as program revenues, including property taxes, earnings on investments and the gain on sale of property, are presented as general revenues.

The fund financial statements provide information about the Agency's fund. The emphasis of fund

financial statements is on major funds, each displayed in a separate column.

The single major fund, General Fund, accounts for general administration of the Agency's urban renewal areas, for acquisition and rehabilitation of blighted and deteriorated areas within the designated urban renewal areas, and repayment of debt incurred for these activities.

D. Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements are reported on a modified cash basis of accounting. The modified cash basis of accounting is based on the recording of cash and cash equivalents and changes therein, and only recognizes revenues, expenditures, assets, and liabilities resulting from cash transactions, adjusted for liabilities that arise from cash transactions.

Only cash and cash equivalents and items that involve the receipt or disbursement of cash or cash equivalents during the period are recognized, except for the following modifications:

- Interfund receivables and payables that arise from transactions and events involving cash or cash equivalents are recognized;
- Assets that normally convert to cash or cash equivalents (e.g., certificates of deposit, marketable investments, and receivables resulting from loans) that arise from transactions and events involving cash or cash equivalents are recognized; and
- Liabilities for cash or cash equivalents held on behalf of others, held in escrow, or received in advance of being earned or meeting eligibility requirements are recognized.

As a result of the use of this modified cash basis of accounting, certain transactions are not recorded in the financial statements. For example, billed or provided services that have not been collected in cash are not accrued as receivables.

The fund financial statements are presented on the modified cash basis of accounting.

E. Equity classification

Government-wide reporting

In the government-wide financial statements, equity is classified as net position and displayed in the following components:

- **Restricted net position**- Consists of external constraints placed on net position use by creditors, grantors, contributors, laws or regulations of other governments, constraints imposed by law through constitutional provisions, or enabling legislation.
- **Unrestricted net position** - Consists of all other net assets that are not included in the other categories previously mentioned.

In the government-wide financial statements when both restricted and unrestricted net position are available, unrestricted resources are used only after the restricted resources are depleted.

Government-wide reporting

Fund balance amounts are reported within one of the fund balance categories listed below:

- Non-spendable fund balance represents amounts that are not in a spendable form or because they are legally or contractually required to be maintained intact.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation). Also, these are amounts that can be spent only for specific purposes because of state or federal laws, or externally imposed conditions by granters or creditors.
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution. These amounts cannot be used for any other purpose unless the governing body of the Agency removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

In the governmental fund financial statements, when the Agency has restricted and unrestricted (committed, assigned or unassigned) resources available, it is the Agency's policy to expend restricted resources first. Unrestricted resources are then expended in the order of committed, assigned, and unassigned as needed, unless otherwise provided for in actions to commit or assign resources, in determining the amounts to be reported in each of the fund balance categories.

F. Budget policies and budgetary control

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

The Agency 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 governing body adopts the budget, makes appropriations, and declares the tax levy no later than June 30. Expenditure appropriations may not be legally over expended.

The resolution authorizing appropriations for each fund sets the level at which expenditures cannot legally exceed appropriations. The governing body 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.

Budget amounts shown in the financial statements may be revised after the original budget amounts were adopted. The governing body must authorize all appropriation transfers and supplementary budgetary appropriations.

G. 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 on November 15, February 15 and May 15 each year.

As the basic financial statements are presented on the modified cash basis, uncollected property taxes are not reported. Property taxes are recorded as receipts when received.

NOTE 2- CASH AND CASH EQUIVALENTS

The Agency is a component unit of the City of Yachats. The City maintains a pool of cash and cash equivalents that are available for use by all funds. 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 equivalent balances.

Cash and cash equivalent at June 30, 2022 consisted of the following:

	Agency
Petty Cash	$ -
Cash in checking accounts (book balances)	(1,790)
Cash in Local Government Investment Pool	339,141
Total Cash and cash equivalents	**$ 337,351**

Note 3 - DEPOSITS AND INVESTMENTS

A. Deposits

Deposits with financial Institutions

The Governmental Accounting Standards Board has adopted accounting principles generally accepted in the United States of America (GAAP), which include standards to categorize deposits to give an indication of the level of custodial credit risk assumed by the City at June 30, 2021. If bank deposits at year end are not entirely insured or collateralized with securities held by the City or by its agent in the City's name, the City must disclose the custodial credit risk (below) that exists.

Deposits with financial institutions are comprised of bank demand deposits. For the fiscal year ended June 30, 2022, the carrying amounts of the City deposits on behalf of the Agency in various financial institutions were $337,351. All deposits are held in the name of the City. At June 30, 2022, the City's deposits were covered by federal depository insurance and certifications of participation.

All deposits are held in the name of the City. At June 30, 2022 the City's deposits were covered by federal depository insurance and certifications of participation.

Custodial Credit Risk. Custodial credit risk for deposits is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The City does not have a formal deposit policy for custodial credit risk.

Effective July 1, 2008, House Bill 2901 created a shared liability structure for participating bank depositories in Oregon. Barring any exceptions, a qualifying bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of the quarter-end public fund deposits if they are adequately capitalized, or 110% of the quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public bank depositories is available to repay the deposits of public funds of governmental entities.

B. Investments

The City has invested funds in the State Treasurer's Oregon Short-term Fund Local Government Investment Pool during fiscal year 2021-2022. The Oregon Short-term Fund is the local government investment pool for local governments and was established by the State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short-term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). Local Government Investment Pool (LGIP) is an external investment pool managed by the State Treasurer's office, which allows governments within the state to pool their funds for investment purposes. The amounts invested in the pool are not classified by risk categories because they are not evidenced by securities that exist in physical or book entry form as defined by GASB Statement No. 40.

In addition, the Oregon State Treasury LGIP distributes investment income on an amortized cost basis and participants' equity in the pool is determined by the amount of participant deposits, adjusted for withdrawals and distributed income. Accordingly, the adjustment to fair value would not represent an expendable increase in the City's cash position.

Investments in the Oregon State Treasury LGIP are made under the provisions of ORS 194.180. These funds are held in the City's name and are not subject to collateralization requirements or ORS 295.015. Investments are stated at amortized cost, which approximated fair value.

Credit Risk. State Statutes authorize the City to invest primarily in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, certain commercial papers, and the State Treasurer's Investment Pool, among others. The City has no formal investment policy that further restricts its investment choices.

Concentration of Credit Risk. The City is required to provide information about the concentration of credit risk associated with its investments in one issuer that represents 5 percent or more of the total investments, excluding investments in external investment pools or those issued and explicitly guaranteed by the U.S. Government. The City has no such investments.

Interest Rate Risk. The City has no formal investment policy that explicitly limits investment maturities as a means of managing its exposure to fair value loss arising from increasing interest rates.

NOTE 4 - **RISK MANAGEMENT AND CONCENTRATIONS**

The Agency is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Agency purchases commercial insurance for such risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

NOTE 5 - COMMITMENTS AND CONTINGENCIES

On July 3, 2018, the Urban Renewal Agency entered into an intergovernmental agreement with the City of Yachats. The agreement requires the Urban Renewal Agency to make a single annual payment of $100,000 to the City beginning in 2018-2019. The total payments for the Agency to the City under the obligation is $1,400,000. The payments will be used to pay debt related to improvements of the South Reservoir Project, which was included in the Agency's urban renewal plan.

NOTE 6 – RELATED PARTY TRANSACTIONS

The Agency does not have employees, debt, or physical assets (other than cash and investments). City of Yachats personnel administer the day-to-day activities of the trust. As noted in Notes 2 and 3, the Agency's cash and cash equivalents are combined with the City's cash and cash equivalents. The Agency is reported in the City's financial records as an individual fund. In the current period, $195,000 was transferred to the City for Debt Payments and $386,000 was transferred to the City for Construction projects. The Agency also paid $15,000 to the City for Administrative fees.

NOTE 7 - SUBSEQUENT EVENTS

Professional standards require evaluation and disclosure of significant events affecting the Agency that take place subsequent to the current fiscal year ended June 30, 2022. For the audit period ending June 30, 2022, no subsequent events were identified for disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

YACHATS URBAN RENEWAL AGENCY
MODIFIED CASH BASIS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Property taxes	$ 429,354	$ 429,354	$ 462,658	$ 33,304
Other local sources	300	300	823	523
Investment revenue	2,750	2,750	3,359	609
Total revenues	432,404	432,404	466,840	34,436
EXPENDITURES				
General government				
Dues/Memberships/Fees	200	200	-	(200)
Advertising/Legal Notice	300	300	-	(300)
Auditor	1,770	1,770	1,750	(20)
Administrative fee	15,000	15,000	15,000	-
Transfer to primary government:				
Construction projects	386,000	386,000	386,000	-
Debt service	195,000	195,000	195,000	-
Reserved for future expenditures	-	-	-	-
Total expenditures	598,270	598,270	597,750	(520)
Net change in fund balance	(165,866)	(165,866)	(130,910)	34,956
BEGINNING FUND BALANCE	413,739	413,739	468,261	54,522
				-
ENDING FUND BALANCE	$ 247,873	$ 247,873	$ 337,351	$ 89,478

See accompanying notes to the financial statements.

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Independent Auditor's Report Required by Oregon State Regulations

Agency Officials
Yachats Urban Renewal Agency
Yachats, Oregon 97498

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Yachats Urban Renewal Agency as of and for the year ended June 30, 2022, and have issued our report thereon dated August 3, 2023.

Compliance

As part of obtaining reasonable assurance about whether the Agency'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 the Oregon Administrative Rules 162-10-000 through 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of financial statement 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.**
- **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 Agency was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-10-0230 Internal Control

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

This report is intended solely for the information and use of the Agency officials and management of the Yachats Urban Renewal Agency and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

Hanford & Associates, LLC
West Richland, Washington
August 3, 2023

PROPOSED ADMINISTRATIVE POLICY #24

Basic contents of proposed policy

Policy will detail who authorized check signers are for the City of Yachats. The policy will not name specific individuals, but instead focus on roles that individuals fill.

Reason for proposed Administrative Policy

Financial institutions and other organizations are increasingly wanting documentation from city councils detailing who authorized check signers are. Our current administrative policy is vague on this issue. This proposed policy should fill the gap.

Proposed language

> **All City Council members, including the Mayor, who have been sworn in are authorized as check signers for the City of Yachats. The Council and Mayor may designate additional check signers.**

Use in Practice

City Councilors and Mayor

When a financial or other institution requests documentation supporting who is an authorized check signer for the City, we will provide the following:

A copy of the proposed administrative policy (#24)

A copy of the Oath of Office for the individual

Additional Authorized Signers

Typically the City Manager is an authorized signer, and the Council/Mayor may want to establish other signers as needed. This will be established through a signed letter from the Mayor, authorizing the individual as a check signer.

When a financial or other institution requests documentation supporting the authorized check signer for the City, we will provide the following:

A copy of the proposed administrative policy (#24)

A copy of the letter authorizing the additional signer

PROPOSED CHANGE: ADMINISTRATIVE POLICY #17

Reason for proposed Administrative Policy

The current language is outdated, and does not match Accounts Payable practice, or the Collective Bargaining Agreement as regard payroll dates.

Current language

Problem areas are highlighted

> Accounts payable checks are processed on the first of the month and the Friday following the council meeting. All City checks require two signatures, and the documentation for each check will be attached to the check for review. Payroll checks are separate from accounts payable checks and are paid on the 15th and the last day of the month. Payroll liabilities and meter postage are paid by automatic withdrawal from the City checking account.

First issue: Accounts Payable is currently processing payments on a weekly basis whenever possible, in order to (1) pay in a timely manner, and (2) provide real-time data to Public Works and other departments whenever possible, rather than making people wait for several weeks for updated information.

Second issue: This language does not match the most recent Collective Bargaining Agreement (CBA) with AFSCME. Per the CBA, payroll checks are issued (printed or uploaded to employee bank accounts via the ACH system) on the following schedule:

> Payroll period ending the 15th of each month: pay date is the 22th of the month
>
> Payroll period ending the last day of each month: pay date is the 7th of the following month
>
> When the payroll date falls on a weekend or holiday, paychecks will be issued on the business day before the usual date.

Third issue: Automatic payments are made on additional accounts now, so language is revised to reflect how we do things currently, which is to have the City Manager authorize automatic deductions for specified companies.

Proposed language

> Accounts payable checks are processed ~~on the first of the month and the Friday following the council meeting~~ at least once a month, or more frequently as determined by Accounts Payable. All City checks require two signatures, and the documentation for each check will be attached to the check for review. Payroll checks are separate from accounts payable checks ~~and are paid on the 15th and the last day of the month~~ and are paid on the schedule specified in the current Collective Bargaining Agreement between the City of Yachats and AFSCME (American Federation of State, County and Municipal Employees). Payroll liabilities and ~~meter postage~~ other bills as authorized by the City Manager are paid by automatic withdrawal from the City checking account.

These changes will result in a paragraph which reads:

> **Accounts payable checks are processed at least once a month, or more frequently as determined by Accounts Payable. All City checks require two signatures, and the documentation for each check will be attached to the check for review. Payroll checks are separate from accounts payable checks and are paid on the schedule specified in the current Collective Bargaining Agreement between the City of Yachats and AFSCME (American Federation of State, County and Municipal Employees). Payroll liabilities and other bills as authorized by the City Manager are paid by automatic withdrawal from the City checking account.**

City Council Action Item Cover Sheet

DATE: 8/11/2023

Agenda Item:

1) Proposed change to Administrative Policy #17
2) Proposed new Administrative Policy on authorized check signers

Question Before Council:

1) Should we adopt the proposed policy to bring Administrative Policy #17 in line with current procedures?
2) Should we adopt Proposed Administrative Policy on check signers to bring the city up to date with current procedures for both the city and banking institutions

Person/Group Initiating Request:

Diane Gruver, Account Payable, City of Yachats

Item Summary/Background:

As the attachments detail, our current practice is out of sync with both the City of Yachats administrative policy, and documentation as needed by financial instititions. The changes will resolve these discrepancies.

Issues/Concerns:

Please refer to the attachments for the particular concerns about each issue, but in both cases the basic concern is that practice does not match the outdated policy.

City Council Action Item Cover Sheet

Date of Council Meeting:

Agenda Item:

Yachats Area Trolley Service

Question Before Council:

Would like to approval to pursue bringing the service of a trolley replica vehicle to Yachats. The Trolley would broaden visitors experience, providing access to recreation, dining, shopping, sightseeing and hiking. Increase economic opportunity throughout the village and provide the option for visitors to leave their vehicles at their place of lodging, reliving the pressures on parking.

Person/Group Initiating Request:

Bobbi Price, Yachats Area Chamber of Commerce, Executive Director

Rick Sant, City of Yachats, Interim City Manager

Item Summary/Background:

Thus far, 154 people have completed the sentiment survey, with between 63%-80% Agree or strongly agree depending on the questions asked.

There is an opportunity for both the City & Chamber to each apply for $100k to put toward the purchase of the Hybrid Trolley. Beyond the initial purchase and grant money secured, Transient Lodging Tax $$ would be able to be used for this beneficial infrastructure and service per the Oregon Destination Association, Managing Director.

Resolution For Council:

Requesting a motion and approval for the City and Chamber to pursue grant funding for this project. Also requesting a motion and approval for the City to utilize TLT $ for any additional cost beyond the funding acquired from grants received. Attached is a proposed estimated operation plan and budget.

Yachats Area Trolley

Service-Operations Plan

The Yachats Area Chamber of Commerce and the City of Yachats are seeking funding to provide a public trolley transportation service in Yachats to serve visitors by broadening their transportation options once they arrive at their destination. Allowing the visitors to have a higher quality overall experience. The trolley service will also support locals to get to and from work, shopping, and dining.

By reducing the number of vehicles on the road, the Yachats Trolley will help ease the parking congestion as a popular destination, especially during peak visitor seasons. The trolley will serve as an alternate mode of transportation, allowing people to leave their cars behind.

This reduction of vehicles and the trolley being a Hybrid vehicle will positively impact the environment, resulting in lower fuel consumption and reduced carbon emissions. By using the trolley, people are not only using a convenient mode of transportation but also choosing a greener mode of transportation, contributing to a cleaner and healthier environment. This is especially important to a small coastal town like Yachats, where preserving the natural beauty and protecting the surroundings is a top priority.

The Yachats trolley will benefit the locals and visitors and even attract environmentally conscious visitors. Sustainable tourism is a priority, and providing a service that attracts visitors looking for eco-friendly initiatives and infrastructure, positions Yachats as an environmentally conscious and forward-thinking destination.

Project Goals

- To broaden visitors' experience by providing access to recreation, dining, shopping, sightseeing, and hiking.
- Increase economic opportunity throughout the village by linking hotels, shopping, and dining opportunities.
- Allow visitors to leave their vehicles at their lodging and have access to experiencing Yachats.
- To relieve the pressures on parking in town created by increasing visitors while adding value and quality to their overall experience while visiting.
- Reduce carbon emissions created in Yachats by giving an alternate option and having fewer vehicles on the road
- To increase mobility options for visitors and residents that utilize a wheelchair and may not be able to drive themselves to access shopping, dining, and experiencing the community or sights to see.
- To increase mobility options for everyone, especially disadvantaged residents who may not have regular vehicle access, offer an alternative option for shopping and employment opportunities.
- Provide an option for people to walk into town from their choice of lodging and take the trolley on the way back, avoiding parking in the village.

- Facilitate one-way hiking along the Oregon Coast Trail, Yaxkix, Gerdeman, Amanda Trail, Cape Perpetua Visitor Center, and back to town for shopping, dining, or lodging.
- Provide transportation to visitors and locals to minimize drinking and driving.

Service Vehicle

- The desired vehicle for the new transportation service is a trolley replica vehicle (rubber-tire trolley) that can transport 12 seated passengers plus one wheelchair passenger. The wheelchair position includes a fold-down seat for two passengers that can seat up to 14 seated passengers when no wheelchair is present (see Figure 1).
- The trolley is a 24-foot low-floor vehicle equipped with a fold-out ramp to load wheelchairs and passengers with mobility aids and tie-downs to secure the passenger's wheelchair. Low-floor vehicles provide an entry step closer to the ground, almost level with a sidewalk, facilitating boarding and off passengers (see Figure 2).
- One trolley vehicle is looking to be acquired by the City of Yachats and the Yachats Area Chamber of Commerce. It is anticipated that one vehicle will be able to deliver the service. There will be two days the trolley does not operate to perform routine and preventative maintenance on them without interrupting service for the community.
- The vehicle is a low-emission, hybrid technology vehicle. The current operation plan will have it operate for about 160 miles per service day. Given the limited mileage range of current small and mid-size battery electric vehicles, a hybrid gasoline vehicle is likely to be acquired to demonstrate the feasibility of the service. The desire is to move to a 100% electric vehicle once the battery range improves.

Figure 1: Trolley Vehicle Seating Plan

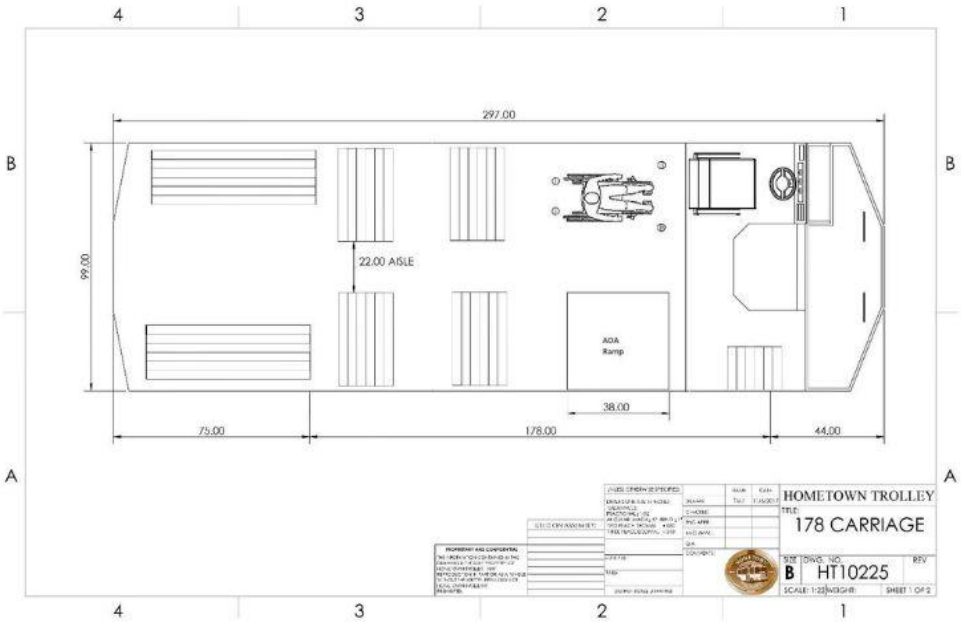


Figure 2: Trolley Exterior

Figure 3: Trolley Interior

Service Route

- The service route between Tillicum Beach Motel and the Cape Perpetua Visitor Center will be fixed. It will allow for pre-scheduled deviations up to .5 miles off the main route (from a designated stop along the main route).
- The main route will travel along Highway 101, Oceanview Drive, and 3rd Street and stop at 12 designated locations.
- Off route, pickups, and drop-offs will be provided with reservations, primarily to service parts of the community beyond a 5-minute walk from the main route and riders with wheelchairs or mobility aids.
- The fixed route will provide about 11 round trips per service day, Thursday - Monday. The on-demand service will allow one on-demand passenger time slot per trip. On-demand service time slots will be built into the vehicle schedules to allow drivers to maintain adequate service and reliability for all passengers.
- Other alternate routes are being explored

Service Stops

- The 12 stops identified on the main route will provide access to most hotels, vacation rentals, shops, restaurants, and recreation and view access points.
- The service will follow the main route and serve these stops in sequence on every trip.

- Off-route deviations will be provided between stops and at the start and end of each trip by reservation only.

Table 1: Trolley Service Stops

South Bound	North Bound
1. Tillicum Beach Motel	1. Amanda Grotto
2. Silver Surf Motel	2. City Hall & Yachats Commons
3. Greenhouse Market Shops & Galleries	3. Greenhouse Market Shops & Galleries
4. Overleaf Resort & Fireside Motel	
5. Adobe Resort	
6. City Hall & Yachats Commons	
7. 3rd Street	
8. Old Landmark pullout	
9. Yachats Inn	
10. Devils Punchbowl	
11. Trailhead below Cape Perpetua Visitor Center	
12. Top of Cape Perpetua Visitor Center	

Alternate Service Plan

- The alternate option would be to go to the far north and south stops every other loop to give more frequent stops between the Greenhouse Market Shops and the Yachats Inn.

Service Days and Hours

- The service will be provided Thursday - Monday, from 10 am to 9 pm

Service Frequency

- The service will be operated every 45 - 60 minutes, Thursday through Monday. This is based on a 45-minute round-trip route plus a delay to service off-route deviations.

Fare

- The service will be fare-free
- No collection of fares will be required, therefore is no need to install a fare box on vehicles.

- Operators will have a tablet on board to track passengers getting on and off and the type of passenger boarding (i.e., visitor, resident, senior, youth, adult, bicycles, wheelchairs, etc.)

Operations

- The Chamber & City will have an MOU on how they work together to hire and train drivers, stops, customer service, tracking, and visitor information to provide riders.
- The Chamber will oversee the program
- The City will hire the drivers
- The vehicle does not require a CDL drive
- The City of Yachats will provide fueling, preventative maintenance, and periodic washing and cleaning of vehicles.
- The City will acquire a tablet to track users
- Customers who wish to schedule an off-route stop will contact the Visitor Center and schedule their pick-up time. The Visitor Center will relay the off-route pick-ups to the driver on schedule.
- The Chamber & City will ask the Council for approval to go after grant funding through Travel Oregon to purchase the Trolley
- The City ad Chamber will ask the Council for approval to use Transient Lodging Dollars to fund the additional cost above grants secured; trolley, insurance, drivers, tablet, stop signage, maintenance, storage, and fuel.
- There are conversations with the Lincoln County Transit District and County Administration to look at the first year as a pilot and ridership to see if they could work it into their budget as a Yachats City Loop additional service and take over the operations and fund the operations into the future. This is not confirmed; only a conversation about potential future operations.
- The Chamber will organize the facility for the trolley to be parked while not in service
- Would like to work with a community steering committee as the project moves into finalizing details.

Service Standards

- The goal of the Trolley is to provide a frequency of stops in 45-60 minute round trip loops.
- Passengers can board and deboard the trolley at designated stops along the route only.
- Passengers wanting to be picked up or dropped off at off-route locations must make a reservation at least 24 hours in advance. Off-route pickups and drop-offs will only be provided within .5 miles of the main route.
- Trolley will be ADA-accessible and will be able to provide curb-to-curb service. No door-to-door service will be provided.
- Service animals will be allowed on the trolley.

Trolley Budget: Cost known and estimated for full-year operations

Cost Item	Upfront Cost (Fixed)	Year 1 Ops(Variable & estimated)	Year 1 Subtotal
Trolley Vehicle	$227,544		$227,544
Service Operation; driver, fuel, insurance, storage		$120,000	$120,000
Bus Stop Signage	$14,000		$14,000
Subtotal	$241,544	$120,000	$361,000
Chamber Contract TLT Contribution (budgeted to support this endeavor)	$39,000		-$39,000
TO Grant (if awarded)	$200,000		-$200,000
Total			$122,544 needed from TLT

Trolley Budget: if only to run Memorial Day to Labor Day and on Events

Cost Item	Upfront Cost (Fixed)	4 months Ops(Variable & estimated)	Year 1 Subtotal
Trolley Vehicle	$227,544		$227,544
Service Operation; driver, fuel, insurance, storage		$50,000	$50,000
Bus Stop Signage	$14,000		$14,000
Subtotal	$241,544	$50,000	$291,544
Chamber Contract TLT Contribution (budgeted to support this endeavor)	$39,000		-$39,000
TO Grant (if awarded)	$200,000		-$200,000

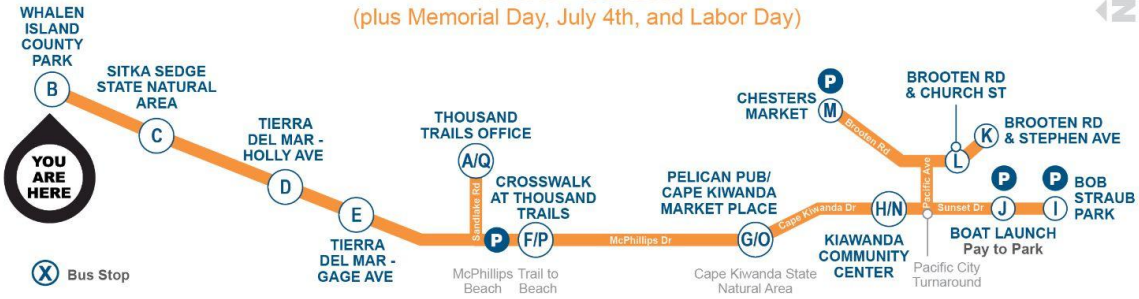
			$52,544 needed from TLT

Examples from Pacific City Trolley:

PACIFIC CITY FREE SHUTTLE

FRIDAY – SUNDAY

(plus Memorial Day, July 4th, and Labor Day)



A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
Thousand Trails Office	Whalen Island	Sitka Sedge Natural Area	Tierra Del Mar -Holly Ave.	Tierra Del Mar- Gage Ave.	Thousand Trails Crosswalk	Pelican Pub	Kiwanda Community Center	Bob Straub State Park	Boat Launch	Brooten Rd & Stephen Ave.	Brooten Rd & Church St.	Chester's Market	Kiwanda Community Center	Pelican Pub	Thousand Trails Crosswalk	Thousand Trails Office
Saturday and Sunday & Holiday (AM Service)																
9:00	9:09	9:12	9:14	9:15	9:17	9:20	9:22	9:25	9:27	9:33	9:34	9:36	9:40	9:42	9:46	9:48
10:00	10:09	10:12	10:14	10:15	10:17	10:20	10:22	10:25	10:27	10:33	10:34	10:36	10:40	10:42	10:46	10:48
Friday, Saturday, Sunday & Holiday (Mid-day Service)																
11:00	11:09	11:12	11:14	11:15	11:17	11:20	11:22	11:25	11:27	11:33	11:34	11:36	11:40	11:42	11:46	11:48
11:30	11:39	11:42	11:44	11:45	11:47	11:50	11:52	11:55	11:57	**12:03**	**12:04**	**12:06**	**12:10**	**12:12**	**12:16**	**12:18**
12:00	**12:09**	**12:12**	**12:14**	**12:15**	**12:17**	**12:20**	**12:22**	**12:25**	**12:27**	**12:33**	**12:34**	**12:36**	**12:40**	**12:40**	**12:46**	**12:48**
12:30	**12:39**	**12:42**	**12:44**	**12:45**	**12:47**	**12:50**	**12:52**	**12:55**	**12:57**	**1:03**	**1:04**	**1:06**	**1:10**	**1:12**	**1:16**	**1:18**
1:00	**1:09**	**1:12**	**1:14**	**1:15**	**1:17**	**1:20**	**1:22**	**1:25**	**1:27**	**1:33**	**1:34**	**1:36**	**1:40**	**1:40**	**1:46**	**1:48**
1:30	**1:39**	**1:42**	**1:44**	**1:45**	**1:47**	**1:50**	**1:52**	**1:55**	**1:57**	**2:03**	**2:04**	**2:06**	**2:10**	**2:12**	**2:16**	**2:18**
2:00	**2:09**	**2:12**	**2:14**	**2:15**	**2:17**	**2:20**	**2:22**	**2:25**	**2:27**	**2:33**	**2:34**	**2:36**	**2:40**	**2:40**	**2:46**	**2:48**
2:30	**2:39**	**2:42**	**2:44**	**2:45**	**2:47**	**2:50**	**2:52**	**2:55**	**2:57**	**3:03**	**3:04**	**3:06**	**3:10**	**3:12**	**3:16**	**3:18**
3:00	**3:09**	**3:12**	**3:14**	**3:15**	**3:17**	**3:20**	**3:22**	**3:25**	**3:27**	**3:33**	**3:34**	**3:36**	**3:40**	**3:40**	**3:46**	**3:48**
3:30	**3:39**	**3:42**	**3:44**	**3:45**	**3:47**	**3:50**	**3:52**	**3:55**	**3:57**	**4:03**	**4:04**	**4:06**	**4:10**	**4:12**	**4:16**	**4:18**
4:00	**4:09**	**4:12**	**4:14**	**4:15**	**4:17**	**4:20**	**4:22**	**4:25**	**4:27**	**4:33**	**4:34**	**4:36**	**4:40**	**4:40**	**4:46**	**4:48**
4:30	**4:39**	**4:42**	**4:44**	**4:45**	**4:47**	**4:50**	**4:52**	**4:55**	**4:57**	**5:03**	**5:04**	**5:06**	**5:10**	**5:12**	**5:16**	**5:18**
5:00	**5:09**	**5:12**	**5:14**	**5:15**	**5:17**	**5:20**	**5:22**	**5:25**	**5:27**	**5:33**	**5:34**	**5:36**	**5:40**	**5:40**	**5:46**	**5:48**
5:30	**5:39**	**5:42**	**5:44**	**5:45**	**5:47**	**5:50**	**5:52**	**5:55**	**5:57**	**6:03**	**6:04**	**6:06**	**6:10**	**6:12**	**6:16**	**6:18**
Friday and Saturday (Evening Service)																
6:30	**6:39**	**6:42**	**6:44**	**6:45**	**6:47**	**6:50**	**6:52**	**6:55**	**6:57**	**7:03**	**7:04**	**7:06**	**7:10**	**7:12**	**7:16**	**7:18**
7:30	**7:39**	**7:42**	**7:44**	**7:45**	**7:47**	**7:50**	**7:52**	**7:55**	**7:57**	**8:03**	**8:04**	**8:06**	**8:10**	**8:12**	**8:16**	**8:18**

bold = PM

Pacific City Trolley

- It is worth noting that Pacific City has park-and-ride locations at Chester's Market, the Boat Launch, and Bob Straub Park.

- There may be locations in Yachats that would be willing to create park-and-ride locations. Both State Parks, 4th Street, Adobe, Yachats Inn?
- The Pacific City trolley is operating Memorial Day - Labor Day with expenses of $50,000 to operate.
- The Pacific City trolley started with a test transit bus from the Tillamook Transit District. Once they changed to the trolley, ridership doubled, then tripled.
- Population of Pacific City is 1,200
- Adding the campgrounds increased ridership
- The route is just under 1 hour, 10-11 hours per day
- "2023 is our 6th or 7th year of operating the PC Shuttle. It operates Friday through Sunday from Memorial Day weekend through Labor Day. It is designed to be a travel demand management/destination management tool for the PC area which sees tremendous seasonal tourism pressure. It seeks to provide alternative means to travel in and around the Pacific City area for both visitors and residents. Ridership has increased every year since it was introduced, with a substantial increase in 2022 when one trolley-replica bus was added to the fleet." Brian Vitulli, General Manager of Tillamook Transit District

SUMMARY OF APPROACH:

Submitted by Public Works & Streets Commission in conjunction with Planning Commission

The following items outlined have been arrived at by reviewing and discussing the summary matrix developed by Planning. Viewing of actual on-site condition determined some of the approach to implementation. The goal is to provide some wayfinding to existing parking and reinforce the parking itself in those areas.

'A' STRIPING: (To emphasize/suggest how parking is to occur)

1. 4TH Street: Temporary striping on north and south side west of Pontiac – **completed.**
    a. Paint the old dirty white firehose that has been installed – white.
    b. Add striping across 4th street (crosswalk type) at entry to Trail and Wetland path. Intent is to create the idea of a possible pedestrian crossing……. slow down traffic.
2. Pontiac at 4th street: Temporary striping on west side – **completed.**
    a. Paint the old dirty white firehose that has been installed – white.
3. Pontiac at 4th: East side – add temporary spaces parallel to the building.
4. City Hall – north ramp: add parallel spaces on the east & west side down to building.
5. 3rd Street: Look at some parallel parking spaces along curbs between residents' driveways, both sides.
6. 2nd Street: Look at a few parallel parking spaces from the old fire station to Pontiac where the street narrows down.
7. Beach St.:
    a. East side reinforce parallel markings.
    b. West side add parallel markings.
    c. Corner at 1st: add striping around corner and some kind of barriers* (like boulders) + No Parking sign.
    d. Corner at Ocean View Dr.: Double line around corner, re-emphasize.
8. Ocean View Drive & Hwy 101: SW corner currently used for parking.
    a. Outline area in paint, add concrete blocks to keep cars from parking.
    (This work to be coordinated with Trails……providing the concrete blocks, PW install)
9. Hwy 101: Stripe along the existing north curb along Drift Inn & Mercantile area. **
    a. Diagonal striping along north side east of Prospect. **
10: Note: No parking work to be done on La De Da Lane until
    a. Skate Park Project identifies specifically what is happening along the west edge of the ROW.
    b. Park Plan is identified and approved to indicate the condition of the east edge along the ROW.
11. State Park at west end of 2nd and west end of Ocean View Dr.: Coordinate with State Park representatives to restripe and create additional marked parallel spaces along the west curb.

'B' SIGNAGE:

1. 4th Street: Add to existing signposts or replace existing sign with one that identifies 'No Overnight Parking 7pm to 7am.'
2. No new signage on 2nd & 3rd
3. Beach Street corner to 1st: 'No Parking'
4. La De Da Lane: 'No Overnight Parking or Camping' (2 signs on west side)
5. Hwy 101 east of Prospect: 'Parking 2-hour Limit' (1 sign)**

'B' SIGNAGE: (cont.)

6. Hwy 101: (all to be approved and coordinated with ODOT)
    a. Near Dollar Store on west side going south: 'Parking' with logo with arrow up for ahead.
    b. Near Oceanview Dr. on east side going north: 'Parking' with logo and arrow up for ahead……added to an existing post.
    c. 3rd & 4th going north & south add 'PARKING' with logo and arrow to the west. Add to or replace existing signs.
    d. Between City Hall & Commons, south side of driveway, west side, add 'EV' with symbol and arrow.

GENERAL NOTES:

Parking spaces parallel will be 9ft wide x 20ft long
Parking spaces 90deg or angled will be 9ft wide x 18ft long
Signage will be installed at height and manner approved by ODOT, Yachats and State standards.
Specific parking will not be created or identified for RV or oversized vehicles.
Signage on Hwy 101 will have Yachats logo
Minimal signage will be introduced into residential areas, primarily where collection of multiple spaces occurs.

- *To be determined with Public Works Dept.
- **To be coordinated with merchants and/or ODOT

BUDGET/COSTS:

Striping will be done by the Commission and other volunteers using Public Works machine. The cost will be additional spray cans and paint as required in addition to PW existing paint.

Signs: Signs will be purchased through Lincoln County signs where Public Works typically purchases. Some signs exist in storage and will be utilized. Logo decals already exist. Public Works staff will install signs and Commissioners will assist when appropriate.

Sign if needed to purchase: Average $50 each.
Post, digging post hole and install post, attach sign $250 each.
Sign replacement on existing post or adding sign to existing post $75.
Fire Hose purchased to date: $100 (200lf)
Fasteners for Fire hose purchased $150.
Cost for Concrete blocks approx. $1500

<u>Estimated budget for approval for all work above of Maximum NTE $5000</u>
Recommend expenses from General Fund as it is not a CIP Project thru PW

Submitted BY Public Works & Streets Commission with review by Planning Commission

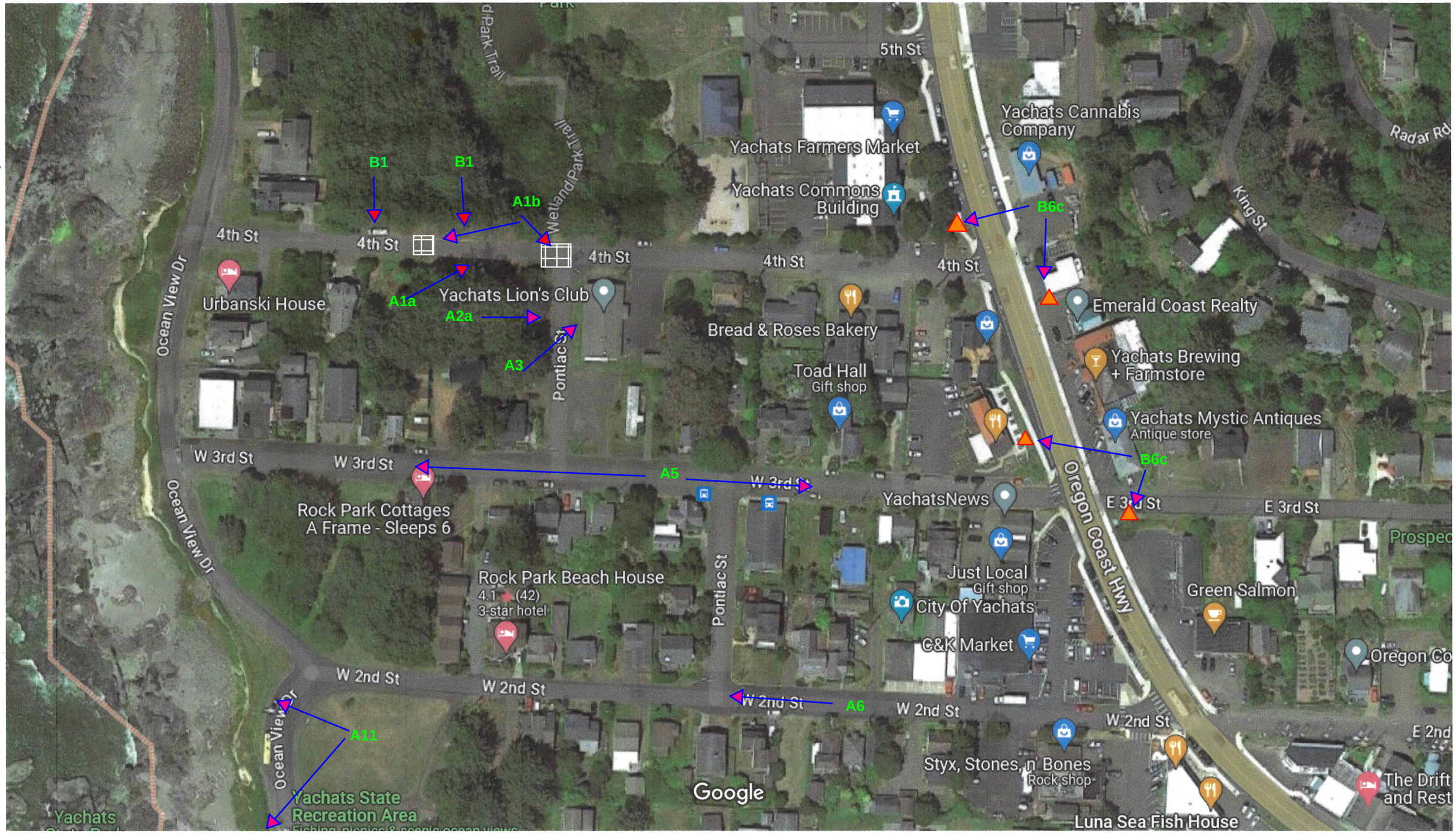
Attachments: Parking 1.1
Parking 1.2
Sign sample with Logo

GEM OF THE
YACHATS
OREGON COAST

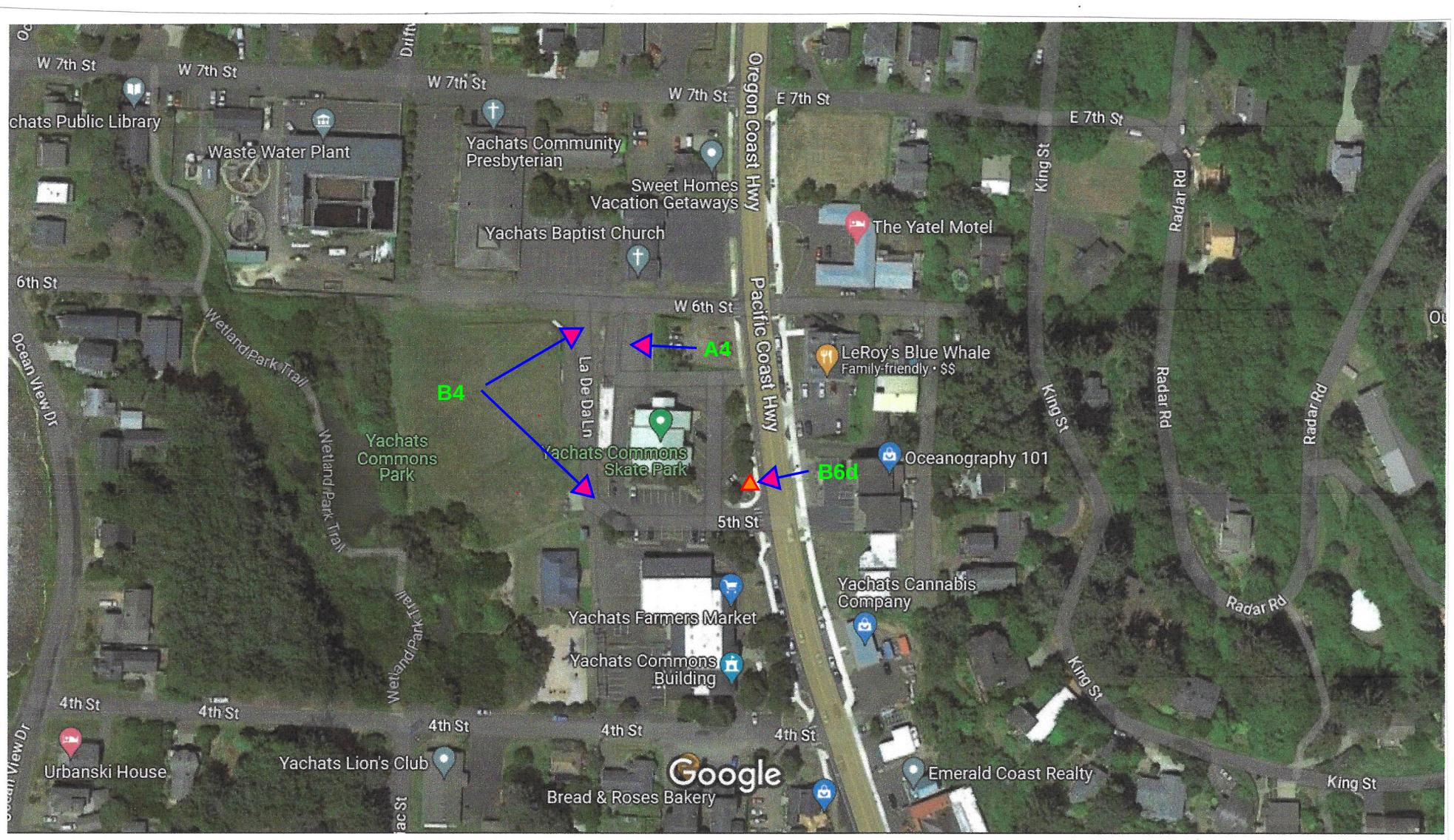
Explore Yachats

RV Parking

Google Maps Yachats



DWG-1


W 7th St
E 7th St
Oregon Coast Hwy
Pacific Coast Hwy
King St
Radar Rd
chats Public Library
Waste Water Plant
Yachats Community Presbyterian
Sweet Homes Vacation Getaways
Yachats Baptist Church
The Yatel Motel
6th St
W 6th St
Wetland Park Trail
Ocean View Dr
La De Da Ln
A4
B4
LeRoy's Blue Whale
Family-friendly • $$
Yachats Commons Park
Yachats Commons Skate Park
Oceanography 101
B6d
5th St
Yachats Cannabis Company
Yachats Farmers Market
Yachats Commons Building
4th St
Urbanski House
Yachats Lion's Club
Google
Bread & Roses Bakery
Emerald Coast Realty

DWG-2

W 2nd St
E 2nd St
Pacific Coast Hwy
Prospect Ave
Toppers Ice Cream and Candy
Ice Cream
Luna Sea Fish House
Seafood • $$
The Drift Inn Hotel and Restaurant
Ocean Cove Inn - Yachats Vacation Rentals
United States Postal Service
Peach St
A7a
B3
A9
B5
Whale Park
Ona Restaurant & Lounge
W 1st St
A7c
A7d
Beach Street Kitchen
Ocean View Dr
A9a
B5b
A8
Yachats River Rd
Google

DWG-3

City Council Action Item Cover Sheet

Date of Council Meeting:

Agenda Item:

Proposed amendment to Yachats Municipal Code, Titles 5 & 9

Question Before Council:

Required second reading due to public testimony received at Council's July public hearing.

Person/Group Initiating Request:

City Planning Commission, John Theilacker, Chair

Item Summary/Background:

Amending Yachats Municipal Code, Title 5 Health and Safety, and Title 9 Zoning and Land Use, regarding fences, walls, and hedges, to: improve existing nuisance regulations for fences; add/ modify definitions; add fence, wall, and hedge standards for every residential zone; clarify fence, wall and hedge provisions under parking; clarify clear-vision area provisions; address buffering or screening requirements for manufactured dwellings, manufactued dwelling parks, recreational vehicles, and for conditional uses.

Resolution For Council:

See proposed Ordinance #___ in Council packet.

CITY OF YACHATS
ORDINANCE NO. ___

AN ORDINANCE AMENDING YACHATS MUNICIPAL CODE TITLES 5 AND 9 FOR FENCES, WALLS, AND HEDGES

WHEREAS, the Planning Commission drafted amendments to the Yachats Municipal Code, Title 5, Health and Safety, and Title 9, Zoning and Land Use, specifically with regard to the regulation of fences, walls, and hedges within the City, and, upon favorable vote, recommended the amendments for consideration and adoption by City Council; and

WHEREAS, the City Council held a public hearing on the Planning Commission's proposed Yachats Municipal Code amendments regulating fences, walls, and hedges, on November 3rd, 2021, and as a result of public and Council comments, referred the amendments back to the Planning Commission for further work; and

WHEREAS, at its December 2021 and January 2022 meetings, the Planning Commission revised its draft amendments in light of Council direction and, upon favorable vote, recommended the revised amendments for reconsideration and adoption by City Council; and

WHEREAS, City Council held a second public hearing on the proposed Yachats Municipal Code amendments, as revised, on July 19th, 2023 and again on August __, 2023, and received both oral and written testimony from the public;

NOW THEREFORE, the City of Yachats ordains that the Municipal Code Titles 5 and 9, be amended with respect to regulating the use and maintenance of fences, walls, and hedges, in part to read as follows:

Section 5.08.060 Maintenance of property – Nuisances.
C. To allow a construction site where there has been no noticeable progress toward completion for a period of six (6) months or more to become unsightly with construction debris, mud, standing water, overgrown vegetation, open ditches, or uneven bare ground;
To keep or maintain a structure in such condition that it would be considered a "dangerous building" under the following definitions:

1. A structure which, for the want of proper repairs or by reason of age and dilapidated condition or by reason of poorly installed electrical wiring or equipment, defective chimney, defective gas connection, defective heating apparatus, or for any other cause or reason, is especially susceptible to fire and which is so situated or occupied as to endanger any other building or property or human life. Every fence shall be maintained in a condition of reasonable repair, and not be allowed to become or remain in a condition of disrepair including

noticeable leaning or missing sections, broken supports, non-uniform height, and growing or noxious vegetation.

Section 5.08.090 Fences.

A. Every fence shall be maintained in a condition of reasonable repair, and not be allowed to become or remain in a condition of disrepair including noticeable leaning or missing sections, broken supports, non-uniform height, and growing or noxious vegetation. Residential fences shall be constructed of material specifically designed and manufactured for fencing purposes. Use of any material which will do bodily harm, such as electric or barbed wire, upturned barbed selvage, broken glass, spikes, or any other hazardous or dangerous materials shall be prohibited. (refer to Section 9.04.030 of YMC for definition of "selvage".)

Section 9.04.030 Definitions.

As used in this chapter:

"Clear-Vision Area": Means a triangle defined on two (2) sides by a minimum distance along vehicle pathways from the intersection of the curb line or, where no curb exists, the edge of the street, alley, or driveway surface edge, and on the third side by the line across the corner of the non-intersecting ends of the two (2) other sides. See the regulations of Section 9.64.010.A of this Title.

"Hedge": Means typically vegetation planted for the purpose of serving as a boundary, buffer, or divider between areas, for landscaping or privacy.

"Required Yard": Means the area of a lot within the building setbacks. The required yard varies with the zoning of the property.

"Screening Buffer": Means a fence, hedge, or wall that blocks at least seventy (70) percent of the view between uses. The buffer shall not be less than five (5) feet in height, nor more than eight (8) feet in height, except in a clear-vision area.

"Selvage": Means the finished top edge of a chain-link fence, consisting of either knuckle or twist (barb). Knuckle selvage is rounded and safer because it has no sharp points to catch on clothing or people, and is appropriate for residential chain link systems. Twisted or barbed selvage has sharp ends for high security purposes and is appropriate for commercial or high-security fence systems.

"Sight-Obscuring Fence" (or, "Sight-Obscuring Screen"): Means a continuous fence, wall, hedge, or combination thereof, constructed and/or planted so as to effectively screen the particular use from view.

Section 9.12.040 Standards.

B.7. A fence, wall, or sight-obscuring fence may be established and maintained immediately adjacent to an abutting property line provided it is no more than six (6) feet in height (except where the clear-vision area would be impaired as defined in YMC Section 9.64.010), or no more than eight (8) feet in height when permitted by conditional use in accordance with Chapter 9.80 of the YMC. When such a fence, wall, or sight-obscuring fence is placed on top of a retaining wall, the combined height of the wall and fence shall not exceed eight (8) feet.

Section 9.16.040 Standards.
B7. A fence, wall, or sight-obscuring fence may be established and maintained immediately adjacent to an abutting property line provided it is no more than six (6) feet in height (except where the clear-vision area would be impaired as defined in YMC Section 9.64.010), or no more than eight (8) feet in height when permitted by conditional use in accordance with Chapter 9.80 of the YMC. When such a fence, wall, or sight-obscuring fence is placed on top of a retaining wall, the combined height of the wall and fence shall not exceed eight (8) feet.

Section 9.20.040 Standards.
B7. A fence, wall, or sight-obscuring fence may be established and maintained immediately adjacent to an abutting property line provided it is no more than six (6) feet in height (except where the clear-vision area would be impaired as defined in YMC Section 9.64.010), or no more than eight (8) feet in height when permitted by conditional use in accordance with Chapter 9.80 of the YMC. When such a fence, wall, or sight-obscuring fence is placed on top of a retaining wall, the combined height of the wall and fence shall not exceed eight (8) feet.

Section 9.24.040 Standards.
B7. A fence, wall, or sight-obscuring fence may be established and maintained immediately adjacent to an abutting property line provided it is no more than six (6) feet in height (except where the clear-vision area would be impaired as defined in YMC Section 9.64.010), or no more than eight (8) feet in height when permitted by conditional use in accordance with Chapter 9.80 of the YMC. When such a fence, wall, or sight-obscuring fence is placed on top of a retaining wall, the combined height of the wall and fence shall not exceed eight (8) feet.

Section 9.48.010 General Requirements.
G. Except for parking to serve dwellings, parking and loading areas adjacent to or within residential zones or adjacent to residential uses shall be designed to minimize disturbance of residents by the erection between the uses of a sight-obscuring fence of not less than five (5) feet in height and not to exceed eight (8) feet except in clear-vision areas as defined in YMC Section 9.64.010.

Section 9.64.010 Design Standards.
9.64.010(A)(2): No temporary or permanent obstruction (e.g., structure, fence, or shrub vegetation) greater than three (3) feet in height shall be placed in clear-vision areas on streets, driveways, or alleys, as shown in the clear-vision area diagram shown in Section 9.64.010(B). Trees exceeding this height may be located in this area provided all branches and foliage are removed to a height of eight (8) feet above grade.

9.64.010(B): Fences, Hedges and Walls. Fences, hedges, and walls may be located within required yards as permitted by zoning, but shall not exceed three (3) feet in height within the clear-vision area as illustrated in the diagram shown below. Hedges that front Highway 101 are exempt from this height requirement as long as the height does not interfere with clear-vision area requirements of Section 9.64.010(A)(3).

Chapter 9.68 – Manufactured Dwellings, Manufactured Dwelling Parks and Recreational Vehicles.
9.68.030 (C)(15) Buffering or screening, if required by the Planning Commission, shall be screened with a screening buffer (see definition in YMC Section 9.04.030).

Section 9.72.050 Standards and Procedures Governing Conditional Uses.
9.72.050 (G)(3) Outdoor storage shall be on the side or rear of the building, and shall be screened with a screening buffer (see definition in YMC Section 9.04.030).

PASSED AND ADOPTED by the City Council of the City of Yachats on this _____day of _____.

Ayes:_____ Nays:_____ Abstentions:_____ Absent:_____

APPROVED by the Mayor this ____ day of _____.

Attest:

_____ _____
Craig Berdie, Mayor Rick Sant, Interim City Manager

ODOE Grant Information for City Council discussion Aug. 16, 2023:

At this time, I would like to clear up some misunderstanding around the Oregon Department of Energy Grant.

- This grant was submitted to the City for review by me, as a private citizen, through the newly developed CIP Project Application process. Not as a Planning Commissioner.
- From the first meetings to discuss how Yachats could benefit from this opportunity the Emergency Planning Committee was involved.
- It was understood from the beginning that there are no matching funds required from Yachats if awarded the grant. Within the application an amount of $40,000.00 has become an issue. There is no mandate that Yachats spend this amount. That does not mean there will be no additional costs at all, there is always the possibility of some costs related to, for example, staff time.
- The second round of grants from the ODOE is for construction costs for the plan as developed through this planning process. The city can apply for up to $1 million in construction funding. There is no requirement of a match for that funding stream.
- What the city can do is through this planning process design and scope a larger plan and apply for additional funding through other sources to build it.
- Yachats can also develop partnerships with other entities, such as the Yachats Rural Fire District, and they can apply for a construction grant through ODOE as well, creating a larger integrated energy system.

Being prepared for a once in a lifetime devastating tsunami is necessary, but there are more pressing and increasingly consistent, events happening around the globe and here locally. Extreme weather, wildfires, and landslides all can impact the regional electrical grid. Understanding that the possibility of a long-lasting power outage is not only possible, but a probability, is why federal and state governments are making grants such as this ODOE grant available to cities. Small communities located, as Yachats is, in the rural-urban divide will be left to fend for themselves both during and after an event. Our dependence on electricity for communication and operation of key systems looms large when it comes to safety and security of the residents and visitors here.

This is a planning grant. What a planning grant such as this does is it allows a community to work cooperatively to develop plans and options through data collection, integration of community partners, and conversations with residents. This is an amazing opportunity for Yachats to look at how the changing environment and climate is currently affecting us, and how we can best mitigate for probable energy related emergencies.

City of Yachats

FY ended June 30, 2023 – Preliminary Update

August 16, 2023 – 2:00 PM – Council Chambers

BACKGROUND

The City of Yachats adopted the 2022-2023 Budget in June, 2022. As allowed by Oregon statutes, the city approved a Supplemental Budget, by Resolution, during the fiscal year. The Resolution was primarily to move appropriations between Personnel Costs and Materials and Services, within Funds, to reflect how the City had provided staff during the year. The Budget assumed all staff would be employees but, in practice, a third-party agency had provided personnel resources.

Executive Summary – Major Fund Groups

The City publishes monthly financial reports generated from its Springbrook financial software. There are several different types of reports consolidating departments to provide the reader with different "looks", depending on their area of interest. This fiscal summary is based on "Soft Close 2" and uses the consolidation reports to create the "Total City" financial results for fiscal year 2022-2023.

City of Yachats – Total Financial Resources Available

Preliminary Ending Fund Balances

Fund or Fund Group	Expected Ending Fund Balance – As Budgeted	Soft Close 2 – Preliminary Ending Fund Balances	Better (Worse)
General Fund Operating	$2,040,146	$2,728,582	$688,436
General Fund Reserves	$647,061	$1,520,309	$873,248
Restricted Debt Reserves	$1,127,105	$1,218,034	$90,929
SDC Reserves	$795,992	$814,536	$18,544
Water/Sewer Operations & Reserves	$2,531,406	$3,290,299	$758,893
Urban Renewal District	$427,724	$471,712	$43,988
Total City of Yachats	**$7,569,434**	**$10,043,472**	**$2,474,038**

Heading into fiscal 2024, the City of Yachats has just over $10 Million at its disposal to provide services, execute projects and shape its future. For a summary of the items that impacted the increase in the ending fund balances, please see the following page.

The details of the $2,474,038 in higher ending fund balances are:

Fund	Description	Better (Worse)
General	Beginning Balance	$102,842
General	Grants Received	($64,931)
General	Interest Income	$95,535
General	Transient Rental Tax	$313,313
General	Personnel & Benefits	$49,216
General	Insurance	$48,942
General	VA Transient Rental Tax	$122,567
General	Contingency	$53,500
General Reserves	Grants; 804 Mitigation	($638,000)
General Reserves	Beginning Balance	$93,748
General Reserves	Capitalized Labor	$144,202
General Reserves	Capital Projects	$1,240,186
Water Capital Reserves	Capital Projects	$476,225
Water	Personnel & Benefits	$108,519
Wastewater	Personnel & Benefits	$82,571
Wastewater	Capital Projects	$26,240
Debt Service Reserves	Food & Beverage Taxes	$19,010
Debt Service Reserves	Sewer Loan Beginning Balance	$69,329
Urban Renewal	Property Tax	$40,987
All Other	All Other	$90,037
Total	**Total**	**$2,474,038**

Further detailed analysis can be provided should you have any additional questions. Please forward any requests to your Interim City Manager, Rick Sant.