1. 2:00 P.M. Agenda

   Documents:

   2025-03-06 Finance Agenda.pdf

2. Meeting Material

   Documents:

   Ordinance 370 - Finance Committee And CIP.pdf
   City Of Yachats FY23 - Working (1).Pdf
   URD FY23 - Working (1).Pdf
   City Of Yachats FY24 - Working - 1.22.25 (1).Pdf
   URD FY24 - Working (1).Pdf

3. Additional Documents Submitted

   Documents:

   CIP Updates Five Year Plan FY25-26 2025-03-06 With Spending.pdf

CITY OF YACHATS
FINANCE COMMITTEE
441 Hwy 101 N. Commons Civic Meeting Room 1
Yachats, OR 97498
Thursday, March 6, 2025, at 2:00 pm
To Be Held In-Person & Zoom

Join Zoom Meeting
https://us02web.zoom.us/j/82455077267
Meeting ID: 824 5507 7267

I. Meeting Called to Order

II. Announcements and Correspondence

III. Citizens' Concerns
(limited to items not on the agenda, 5-minute limitation per person)

IV. New Business

V. Ongoing Business
   a. CIP Budget Review
   b. FY 23/24 Audit Recommendation to City Council
      i. FY 23 Draft Audit
         1. URD Draft Audit FY 23
      ii. FY 24 Draft Audit
         1. URD Draft Audit FY 24
   c. ORD 370 edit and recommendation to City Council
      i. Link
      II. Link

VI. Other Business
   a. From Commission
   b. From Staff

CITY OF YACHATS
ORDINANCE NO. 370

(AMENDED ORD. 248 OF 12/10/2004 AND ORD. 355 OF 1/16/2019)
AN ORDINANCE AMENDING THE YACHATS MUNICIPAL CODE CHAPTER 3.10

WHEREAS, the procedure used to develop the Capital Improvement Plan has become a function of the Finance Committee; and

NOW THEREFORE, the City of Yachats ordains that Chapter 3.10 – Capital Improvement Planning shall be amended to read as follows:

Chapter 3.10 – Finance Committee and Capital Improvement Planning

Sections:

3.10.010Membership
3.10.020 Powers and Duties
3.10.030 Capital Improvement Program - Annual Report to City Council
3.10.040 Capital Improvement Program - Adoption and Appropriations
3.10.050 Capital Improvement Program - Public Report

Section 3.10.010 Membership
The City Council shall establish and appoint a Finance Committee that shall also serve as the Capital Improvement Planning Committee (CIP Committee). The Finance Committee will work with the Commission Chairs and serves in an advisory role to the City Council.

The City Manager shall serve as the Chair of the Finance Committee.

The Finance Committee shall include 4-6 members skillful in financial analysis.

Nomination for membership will be made jointly by the Mayor, the Council President, and the City Manager in consultation with the Finance Committee. Each representative will be appointed by the City Council for a specified term. Members can be removed from the Committee by City Council for cause.
(Ord. 248, Add, 12/10/2004, and Ord. 355 Add 1/16/2019)

Section 3.10.020 Powers and Duties

The Finance Committee's mission is to address the City's long-term financial planning. This may include complex organizational issues that impact Capital Improvement Planning, reserve generation, and other long-term financial planning.

The Finance Committee, at public meetings, shall:
1) Provide financial analysis as requested by the City Manager.
2) Provide a long-term horizon for fund balance projections, including appropriations of remaining projects documented in master plans, revenue, capital expenditures, and reserve balances.
3) Provide a "State of the City" financial report to the City Council – This would be a snapshot of how the financial long-term picture looks given certain assumptions.
4) Assist the City Manager on special projects including, but not limited to:
    a. Review and recommend changes to the City Budget document by the Supplemental Budget process
    b. Provide project updates, changes, and substitutions for projects in City's CIP plan
    c. Advise whether system development charges provide for an equitable share of infrastructure and operational costs

d. If requested by the City Manager, advise on how the City Manager organizes the Financial Staff
e. Advise on creation and maintenance of City's Financial reporting.

5) Study proposed capital projects and improvements involving major non-recurring tangible assets and projects which:
   a. are purchased or undertaken at intervals of not less than five years;
   b. have a useful life of at least five years; and
   c. cost over $5,000; and
6) Other projects assigned by the City Council.

Each year, commission chairs and staff shall submit capital project requests that have completed the Discovery Phase of the CIP Process or were previously documented in the city's master plans. The Finance Committee shall consider the relative need, impact, timing, and cost of these expenditures and the effect each will have on the City's financial position. The Finance Committee will provide a completed CIP to the City Council for approval before the completion of the annual budget. (Ord. 248, Add, 12/10/2004 and Ord. 355, Add 1/16/2019)

Section 3.10.030 Capital Improvement Program - Annual Report to City Council
The Finance Committee shall prepare an annual report recommending a Capital Improvement Budget for the next fiscal year and a Capital Improvement Program including recommended capital improvements for the following four fiscal years. The report shall be submitted to the City Council for its consideration and approval. Following Council approval, the first year amounts shall be included in the proposed budget for the next year for consideration by the Budget Committee.
(Ord. 248, Add, 12/10/2004 Add 1/16/2019)

Section 3.10.040 Capital Improvement Program - Adoption and Appropriations
Adoption of the City's budget, shall permit the expenditure on Capital Improvement Projects included therein of sums from departmental budgets for surveys, architectural or engineering advice, options or appraisals and the like; but no such expenditure shall be incurred on projects which have not been so approved by the city through the appropriation of sums in the current year or in prior years, or for preliminary planning for projects to be undertaken more than five years in the future.
(Ord. 248, Add, 12/10/2004 Add 1/16/2019)

Section 3.10.050 Capital Improvement Program - Public Report
The Finance Committee's report and the City Council's recommended Capital Budget shall be published and publicly available. The Finance Committee shall deposit its original report with the City Manager's Office. (Ord. 248, Add, 12/10/2004 Add 1/16/2019)

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:

Leslie Vaaler, Mayor Heide Lambert, City Manager

Financial Statements

June 30, 2023

City of Yachats

CITY OF YACHATS
LINCOLN COUNTY, OREGON

OFFICERS AND MEMBERS OF THE GOVERNING BOARD
June 30, 2023

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, 2023

TABLE OF CONTENTS

SUPPLEMENTARY INFORMATION

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, 2023, 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, 2023, 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 39-46 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 January 7, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 January 7, 2025 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
January 7, 2025

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF YACHATS
MODIFIED CASH BASIS STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business Type Activities	Total
ASSETS			
Cash and investments	$ 6,730,018	$ 3,308,899	$ 10,038,917
Capital assets, net	10,177,936	7,902,657	18,080,593
Total assets	16,907,954	11,211,556	28,119,510
LIABILITIES			
Loans Payable			
Due within one year	433,999	-	433,999
Due in more than one year	3,151,445	-	3,151,445
Bonds payable:			
Due within one year	34,000	32,824	66,824
Due in more than one year	313,000	301,912	614,912
Total liabilities	3,932,444	334,736	4,267,180
NET POSITION			
Invested in capital assets	6,245,492	7,567,921	13,813,413
Restricted	2,408,806	3,374,874	5,783,680
Unrestricted	4,321,212	(65,975)	4,255,237
Total net position	$ 12,975,510	$ 10,876,820	$ 23,852,330

See notes to the financial statements.

CITY OF YACHATS
MODIFIED CASH BASIS STATEMENT OF ACTIVITIES
JUNE 30, 2023

		Program Revenues	
Functions / Programs	**Expenses**	**Charges for Services**	**Capital Grants & Contributions**
Governmental activities			
General government	$ 716,933	$ 34,277	$ -
Public works	334,336	48,934	-
Public Safety	-	-	-
Culture and recreation	340,509	30,935	-
Interest expense	135,328	-	-
Total governmental activities	**1,527,106**	**114,146**	**-**
Business-type activities			
Water	1,035,177	853,414	42,400
Sewer	1,043,725	796,542	63,400
Total business-type activities	**2,078,902**	**1,649,956**	**105,800**
Total government	**$ 3,606,008**	**$ 1,764,102**	**$ 105,800**

General revenues
Taxes
Property taxes, levied for general purposes
Property taxes, levied for debt service
Transient room taxes
Food & beverage taxes
Franchise and public service tax
Intergovernmental
Interest and investment earnings
Other revenues (Expenses)
Transfers, net

Total general revenues and transfers

Change in net position

NET POSITION - BEGINNING

ENDING NET POSITION

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	**Business-Type Activities**	**Total**
$ (682,656)	$ -	$ (682,656)
(285,402)	-	(285,402)
-	-	-
(309,574)	-	(309,574)
(135,328)	-	(135,328)
(1,412,960)	-	(1,412,960)
-	(139,363)	(139,363)
-	(183,783)	(183,783)
-	(323,146)	(323,146)
(1,412,960)	(323,146)	(1,736,106)
542,718	-	542,718
46,545	-	46,545
1,382,696	-	1,382,696
485,653	-	485,653
100,380	-	100,380
340,324	-	340,324
171,983	-	171,983
(726)	36,500	35,774
(145,400)	145,400	-
2,924,173	181,900	3,106,073
1,511,213	(141,246)	1,369,967
11,464,298	11,018,066	22,482,364
$ 12,975,510	$ 10,876,820	$ 23,852,330

See notes to the financial statements.

FUND FINANCIAL STATEMENTS

CITY OF YACHATS
MODIFIED CASH BASIS BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Capital Expenditure Fund	Debt Service Reserve Fund
ASSETS			
Cash and Investments	$ 2,694,280	$ 1,514,810	$ 1,234,679
Total Assets	**2,694,280**	**1,514,810**	**1,234,679**
FUND BALANCES			
Restricted			
Debt Services	-	-	765,648
Urban renewal	-	-	-
Streets	10,181	-	-
Tourism/Visitor Amenities	605,269	-	-
Construction, improvements and equipment	-	-	-
Assigned	-	1,514,810	469,031
Unassigned	2,078,830	-	-
Total fund Balances	**$ 2,694,280**	**$ 1,514,810**	**$ 1,234,679**

SDC Fund	Urban Renewal District Component Unit	Total Governmental Funds
$ 814,537	$ 471,712	$ 6,730,018
814,537	**471,712**	**6,730,018**
-	-	765,648
-	471,712	471,712
-	-	10,181
-	-	605,269
555,996	-	555,996
258,541	-	2,242,382
-	-	2,078,830
$ 814,537	**$ 471,712**	**$ 6,730,018**

See notes to the financial statements.

CITY OF YACHATS
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO
STATEMENT OF NET POSITION
JUNE 30, 2023

TOTAL FUND BALANCES	**$ 6,730,018**
Capital assets are not financial resources or obligations and therefore are not reported in the Governmental funds:	
Cost of capital assets	$ 10,177,936
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	$ (347,000)
Loans Payable	$ (3,585,444)
TOTAL NET POSITION	**$ 12,975,510**

CITY OF YACHATS
MODIFIED CASH BASIS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
JUNE 30, 2023

General Fund	Capital Expenditure Reserve Fund	Debt Service Reserve Fund
$ 45,623	$ -	$ 46,545
1,610,610	91,000	485,653
145,324	-	195,000
34,277	-	-
30,935	-	-
98,235	40,112	3,872
5,664	-	-
6,989	-	-
1,977,657	**131,112**	**731,070**
700,933	-	-
104,224	-	-
340,509	-	-
-	-	-
-	-	491,805
-	-	135,328
-	110,112	-
1,145,666	**110,112**	**627,133**
831,991	21,000	103,937
-	314,000	43,000
(502,400)	-	-
(502,400)	**314,000**	**43,000**
329,591	335,000	146,937
2,364,689	1,179,810	1,087,742
$ 2,694,280	**$ 1,514,810**	**$ 1,234,679**

SDC Fund	Urban Renewal District Component Unit	Total
$ -	$ 497,095	$ 589,263
-	-	2,187,263
-	-	340,324
-	-	34,277
48,934	-	79,869
14,377	15,387	171,983
-	54	5,718
-	-	6,989
63,311	**512,536**	**3,415,686**
-	16,000	716,933
-	120,000	224,224
-	-	340,509
-	-	-
-	195,000	686,805
-	-	135,328
-	-	110,112
-	**331,000**	**2,213,911**
63,311	181,536	1,201,775
-	-	357,000
-	-	(502,400)
-	**-**	**(145,400)**
63,311	181,536	1,056,375
751,226	290,176	5,673,643
$ 814,537	**$ 471,712**	**$ 6,730,018**

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, 2023

NET CHANGE IN FUND BALANCE	$	1,056,375
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.	$	(231,967)
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	$	686,805
CHANGE IN NET POSITION	**$**	**1,511,213**

PROPRIETARY FUNDS

CITY OF YACHATS
MODIFIED CASH BASIS STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF JUNE 30, 2023

	Water Fund	Sewer Fund	Total Proprietary
ASSETS			
Current assets			
Cash and investments	$ 2,041,103	$ 1,267,796	$ 3,308,899
Total current assets	2,041,103	1,267,796	3,308,899
Noncurrent assets			
Capital assets, net	2,307,971	5,594,686	7,902,657
Total noncurrent liabilities	2,307,971	5,594,686	7,902,657
Total assets	**4,349,074**	**6,862,482**	**11,211,556**
LIABILITIES			
Current liabilities			
Revenue bonds payable - current portion	32,824	-	32,824
Total current liabilities	32,824	-	32,824
Noncurrent liabilities			
Revenue bonds payable	301,912	-	301,912
Total noncurrent liabilities	301,912	-	301,912
Total liabilities	**334,736**	**-**	**334,736**
NET POSITION			
Invested in capital assets, net of related debt	1,973,235	5,594,686	7,567,921
Restricted	1,854,323	1,520,551	3,374,874
Unrestricted	186,780	(252,755)	(65,975)
Total net position	**$ 4,014,338**	**$ 6,862,482**	**$ 10,876,820**

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, 2023

	Water Fund	Sewer Fund	Total Proprietary
OPERATING REVENUES			
Charges for services	$ 853,414	$ 796,542	$ 1,649,956
Intergovernmental	42,400	63,400	105,800
Other revenues	20,822	29,680	50,502
Total operating revenues	**916,636**	**889,622**	**1,806,258**
OPERATING EXPENSES			
Public works			
Personnel services	294,581	290,829	585,410
Materials and services	345,423	348,287	693,710
Capital outlay	266,498	226,118	492,616
Depreciation	128,675	178,491	307,166
Total operating expenses	**1,035,177**	**1,043,725**	**2,078,902**
Operating income (loss)	(118,541)	(154,103)	(272,644)
NON-OPERATING REVENUES (EXPENSES)			
Operating transfers in	150,000	38,400	188,400
Operating transfers out	(43,000)	-	(43,000)
Total non-operating revenues (expenses)	**107,000**	**38,400**	**145,400**
Change in net position	(11,541)	(115,703)	(127,244)
BEGINNING NET POSITION	4,025,879	6,978,185	11,004,064
ENDING NET POSITION	**$ 4,014,338**	**$ 6,862,482**	**$ 10,876,820**

See notes to the financial statements.

CITY OF YACHATS
MODIFIED CASH BASIS STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Water Fund	Sewer Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	$ 916,636	$ 889,622	$ 1,806,258
Cash payments for goods and services	(611,921)	(574,405)	(1,186,326)
Cash payments to employees	(294,581)	(290,829)	(585,410)
Net cash provided by (used by) operating activities	**10,134**	**24,388**	**34,522**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating transfers in	150,000	38,400	188,400
Operating transfers (out)	(43,000)	-	(43,000)
Net cash provided by (used by) noncapital financing activities	**107,000**	**38,400**	**145,400**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	-	-	-
Net cash provided by (used by) noncapital financing activities	**-**	**-**	**-**
Increase (decrease) in cash and investments	117,134	62,788	179,922
CASH AND INVESTMENTS, BEGINNING OF YEAR	1,923,969	1,205,008	3,128,977
CASH AND INVESTMENTS, END OF YEAR	2,041,103	1,267,796	3,308,899
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income (loss)	**(118,541)**	**(154,103)**	**(272,644)**
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation	128,675	178,491	307,166
Total adjustments	**128,675**	**178,491**	**307,166**
Net cash provided by operating activities	**$ 10,134**	**$ 24,388**	**$ 34,522**

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 2022-2023 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 $1,514,810 cash balance at June 30, 2023. 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 onthem.

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, 2023 consisted of the following:	
Petty Cash	$ 100
Cash in checking accounts (book balances)	892,077
Cash in Local Government Investment Pool	9,146,740
Total Cash and investments	**10,038,917**
Cash and investments by funds at June 30, 2023:	
Governmental Funds	
General Fund	2,694,280
Capital Expenditure Fund	1,514,810
Debt Service Reserve	1,234,679
System Development Charges	814,537
Urban Renewal City (component unit)	471,712
Total Governmental Funds	**6,730,018**
Proprietary Funds	
Water Fund	2,041,103
Sewer Fund	1,267,796
Total Proprietary Funds	3,308,899
Total	**$ 10,038,917**

NOTE 3 - DEPOSITS AND INVESTMENTS

A. Deposits

<u>Deposits with financial Institutions</u>

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, 2023. 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, 2023, the carrying amounts of the City deposits in various financial institutions were $895,077. All deposits are held in the name of the City. At June 30, 2023, 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 2022-2023. 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, 2023 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	**10,177,936**	**-**	**-**	**10,177,936**
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	3,955,394	-	-	3,955,394
Water reservoir	399,205	-	-	399,205
Wastewater treatment plant/system	7,525,839	-	-	7,525,839
Total capital assets being depreciated	**12,762,990**	**-**	**-**	**12,762,990**
Less accumulated depreciation				
Buildings and improvements	99,219	8,928	-	108,147
Vehicles and equipment	387,453	33,701	-	421,155
Water plant and system	2,023,336	92,361	-	2,115,697
Water reservoir	214,023	7,984	-	222,007
Wastewater treatment plant/system	1,942,171	164,192	-	2,106,364
Total Accumulated Depreciation	**4,666,203**	**307,166**	**-**	**4,973,369**
Total Business-Type Capital Assets, Net	8,096,787	(307,166)	-	7,902,656
Total Net Capital Assets	**$ 18,307,316**	**$ (307,166)**	**$ -**	**$ 18,080,592**

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 $307,166 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 6/30/2022	Issued	Refinanced	Reductions	Ending Balance 6/30/2023	Due in One Year
Governmental Activities									
General Obligations Bonds									
3/17/2017 Water Refunding Bond	$ 533,000	2031	3.00%	$ 380,000	$ -	$ -	$ 33,000	$ 347,000	$ 34,000
Loans									
6/17/05 DEQ	6,671,721	2029	2.90%	2,834,626	-	-	370,825	2,463,801	381,657
5/27/09 IFA Loans	519,343	2033	3.0-4.75%	227,165	-	-	20,554	206,611	21,582
3/9/16 Safe Drinking Water Fund	1,030,000	2048	1.00%	945,488	-	-	30,456	915,032	30,760
Total Governmental activities				**4,387,279**	**-**	**-**	**454,835**	**3,932,444**	**467,999**
Business-type activities									
Revenue Bonds									
3/17/2017 Water Revenue Refunding Bond	$ 512,000	2032	3.07%	366,575	-	-	31,839	334,736	32,824
Total Business-type activities				**$ 366,575**	**$ -**	**$ -**	**$ 31,839**	**$ 334,736**	**$ 32,824**

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**
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	54,418
2028	38,000	5,550	37,078	5,772	486,484	40,699
2029-2033	166,000	10,110	160,143	11,258	757,842	76,611
2034-2038	-	-	-	-	208,479	27,986
2039-2043	-	-	-	-	182,165	17,387
2044-2048	-	-	-	-	137,723	8,095
Thereafter	-	-	-	-	-	463
Thereafter	**$ 347,000**	**$ 48,855**	**$ 334,736**	**$ 50,917**	**$ 3,585,444**	**$ 467,222**

NOTE 6 - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2023 were as follows:

	Transfers In	Transfers Out
Governmental Funds		
General Fund	$ -	$ 502,400
Capital Expenditure Fund	314,000	-
Debt Service Reserve	43,000	-
System Development Charges	-	-
Total Governmental Funds	**357,000**	**502,400**
Proprietary Funds		
Water Fund	150,000	43,000
Sewer Fund	38,400	-
Total Proprietary Funds	**188,400**	**43,000**
Total	**$ 545,400**	**$ 545,400**

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 2023 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- 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, 2023. For the audit period ending June 30, 2023, no subsequent events were identified for disclosure.

NOTE 11 – CHANGE IN ACCOUNTING PRINCIPLE

There were no changes in accounting principal in fiscal year 2023.

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, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final
REVENUES				
Property taxes	$ 48,500	$ 48,500	$ 45,623	$ (2,877)
Other taxes	1,229,100	1,229,100	1,610,610	381,510
Intergovernmental	205,000	205,000	145,324	(59,676)
Licenses and permits	34,000	34,000	34,277	277
Charges for services	25,000	25,000	30,935	5,935
Investment revenue	2,700	2,700	98,235	95,535
Other local revenue	5,000	5,000	5,664	664
Miscellaneous	2,500	2,500	6,989	4,489
Total revenues	1,551,800	1,551,800	1,977,657	425,857
EXPENDITURES				
General government	398,900	398,900	700,933	302,033
Public works	111,850	111,850	104,224	(7,626)
Culture and recreation	368,450	368,450	340,509	(27,941)
Capital expenditures	-	-	-	-
Total expenditures	879,200	879,200	1,145,666	266,466
Contingency	53,500	53,500	-	(53,500)
Total expenditures	932,700	932,700	1,145,666	212,966
Excess (deficiency) of revenues over (under) expenditures	619,100	619,100	831,991	212,891
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	(540,800)	(540,800)	(502,400)	38,400
Total other financing sources (uses)	(540,800)	(540,800)	(502,400)	38,400
Net change in fund balance	78,300	78,300	329,591	251,291
BEGINNING FUND BALANCE	2,261,846	2,261,846	2,364,689	102,843
ENDING FUND BALANCE	$2,340,146	$2,340,146	$2,694,280	$ 354,134

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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Charges for Services	$ 101,491	$ 101,491	$ 48,934	$ (52,557)
Investment revenue	4,100	4,100	14,377	10,277
				-
Total revenues	105,591	105,591	63,311	(42,280)
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	63,311	(42,280)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	(50,000)	(50,000)	-	50,000
Total other financing sources (uses)	(50,000)	(50,000)	-	50,000
Net change in fund balance	55,591	55,591	63,311	7,720
BEGINNING FUND BALANCE	740,401	740,401	751,226	10,825
ENDING FUND BALANCE	$ 795,992	$ 795,992	$ 814,537	$ 18,545

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, 2023

	Budgeted Amounts		**Actual**	**Variance with**
	Original	Final	**Amounts**	**Final Budget**
REVENUES				
Property taxes	$ 474,715	$ 474,715	$ 497,095	$ 22,380
Other local sources	800	800	54	(746)
Investment revenue	3,000	3,000	15,387	12,387
Total revenues	478,515	478,515	512,536	34,021
EXPENDITURES				
General government	19,000	19,000	16,000	(3,000)
Public works	420,000	420,000	120,000	(300,000)
Debt services	195,000	195,000	195,000	-
Reserved for future expenditures	127,724	127,724	-	(127,724)
Total expenditures	761,724	761,724	331,000	(430,724)
Excess (deficiency) of revenues over (under) expenditures	(283,209)	(283,209)	181,536	464,745
OTHER FINANCING SOURCES (USES)				
Operating transfers out	-	-	-	-
Net change in fund balance	(283,209)	(283,209)	181,536	464,745
BEGINNING FUND BALANCE	283,209	283,209	290,176	6,967
ENDING FUND BALANCE	$ -	$ -	$ 471,712	$ 471,712

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, 2023

	Budgeted Amounts		Actual	Variance witl
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental	$ 91,000	$ 91,000	$ 91,000	$ -
Anticipated grants	438,000	438,000	-	(438,000)
Gifts/Donations	200,000	200,000	-	(200,000)
Investment revenue	7,000	7,000	40,112	33,112
Total revenues	736,000	736,000	131,112	(604,888)
EXPENDITURES				
Capital outlay	1,489,000	1,489,000	110,112	(1,378,888)
Reserved for future expenditures	647,061	647,061	-	(647,061)
Total expenditures	2,136,061	2,136,061	110,112	(2,025,949)
Excess (deficiency) of revenues over (under) expenditures	(1,400,061)	(1,400,061)	21,000	1,421,061
OTHER FINANCING SOURCES (USES)				
Operating transfers in	314,000	314,000	314,000	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	314,000	314,000	314,000	-
Net change in fund balance	(1,086,061)	(1,086,061)	335,000	1,421,061
BEGINNING FUND BALANCE	1,193,499	1,193,499	1,179,810	(13,689)
ENDING FUND BALANCE	$ 107,438	$ 107,438	$1,514,810	$1,407,372

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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Property Taxes	$ 45,746	$ 45,746	$ 46,545	$ 799
Food and Beverage Taxes	450,000	450,000	485,653	35,653
Intergovernmental	195,000	195,000	195,000	-
Investment Revenue	4,522	4,522	3,872	(650)
Total Revenues	695,268	695,268	731,070	35,802
Expenditures				
Debt Service Principal	492,453	492,453	491,805	(648)
Debt Service Interest	121,485	121,485	122,075	590
Debt Service Fees	13,253	13,253	13,253	-
Total expenditures	627,191	627,191	627,133	(58)
Excess (deficiency) of revenues over (under) expenditures	68,077	68,077	103,937	35,860
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	111,077	111,077	146,937	35,860
Beginning fund balance	1,016,028	1,016,028	1,087,742	71,714
Ending fund balance	$1,127,105	$1,127,105	$1,234,679	$ 107,574

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, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Final Budget
Revenues				
Charges for services	$ 853,414	$ 853,414	$ 853,414	$ -
Intergovernmental	42,400	42,400	42,400	-
Other revenues	4,500	4,500	20,822	16,322
Total Revenues	900,314	900,314	916,636	16,322
Expenditures				
Public Works				
Personnel services	403,100	403,100	294,581	(108,519)
Materials and services	388,000	388,000	345,423	(42,577)
Capital expenditures	740,972	740,972	266,498	(474,474)
Contingencies	30,000	30,000	-	(30,000)
Total expenditures	1,562,072	1,562,072	906,502	(655,570)
Excess(deficiency) of revenues over (under expenditures	(661,758)	(661,758)	10,134	671,892
Other Financing Sources (Uses)				
Operating transfers in	150,000	150,000	150,000	-
Operating transfers out	(43,000)	(43,000)	(43,000)	-
Net change in net position	(554,758)	(554,758)	117,134	671,892
BEGINNING UNRESTRICTED NET POSITION	2,006,842	2,006,842	1,923,969	(82,873)
ENDING UNRESTRICTED NET POSITION	$1,452,084	$1,452,084	2,041,103	$ 589,019
Net investment in capital assets			1,973,235	
ENDING NET POSITION			$4,014,338	

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, 2023

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
REVENUES				
Charges for services	$ 795,000	$ 795,000	$ 796,542	$ 1,542
Intergovernmental	63,400	63,400	63,400	-
Other local revenue	5,000	5,000	29,680	24,680
Total revenues	863,400	863,400	889,622	26,222
EXPENDITURES				
Public works				-
Personnel services	373,400	373,400	290,829	(82,571)
Materials and services	338,150	338,150	348,287	10,137
Capital expenditures	248,525	248,525	226,118	(22,407)
Contingencies	25,000	25,000	-	(25,000)
Total expenditures	985,075	985,075	865,234	(119,841)
Excess (deficiency) of revenues over (under) expenditures	(121,675)	(121,675)	24,388	146,063
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	38,400	38,400
Operating transfers out	-	-	-	-
Net change in net position	(121,675)	(121,675)	62,788	184,463
BEGINNING UNRESTRICTED NET POSITION	1,201,412	1,201,412	1,205,008	3,596
ENDING UNRESTRICTED NET POSITION	$1,079,737	$1,079,737	$1,267,796	$ 188,059
Net investment in capital assets			5,594,686	
ENDING NET POSITION			$6,862,482	

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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated January 7, 2025. 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.

<u>Internal Control Over Financial Reporting</u>

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 2023-01 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
January 7, 2025

Schedule of Findings and Responses

Findings – Financial Statement Audit

Significant Deficiency in Internal Control Over Financial Reporting

2023-01 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, 2023 and have issued our report thereon dated January 7, 2025. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

<u>Compliance</u>

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 <u>Internal Control</u>

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 2023-01 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
January 7, 2025

Yachats Urban Renewal Agency

(A Component Unit of the City of Yachats)

Annual Financial Report

For the Fiscal Year Ended June 30, 2023

Yachats Urban Renewal Agency
LINCOLN COUNTY, OREGON

OFFICERS AND MEMBERS OF THE GOVERNING BOARD
June 30, 2023

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, 2023

TABLE OF CONTENTS

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, 2023, 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, 2023, 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 January 7, 2025 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
January 7, 2025

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

YACHATS URBAN RENEWAL AGENCY
MODIFIED CASH BASIS STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 471,712
Total assets	471,712
NET POSITION	
Restricted	100,000
Unrestricted	371,712
Total net position	$ 471,712

See accompanying notes to the financial statements.

YACHATS URBAN RENEWAL AGENCY
MODIFIED CASH BASIS STATEMENT OF ACTIVITIES
JUNE 30, 2023

	Governmental Activities
GENERAL REVENUES	
Property taxes	497,095
Other local sources	54
Investment earnings	15,387
Total general revenues	512,536
URBAN RENEWAL EXPENDITURES	
Administrative fee	16,000
Transfers to primary government for:	
Construction Projects	120,000
Debt Service	195,000
Total expenditures	331,000
Change in Net Position	181,536
Net position - beginning	290,176
Net position - ending	471,712

See accompanying notes to the financial statements.

FUND FINANCIAL STATEMENTS

YACHATS URBAN RENEWAL AGENCY
MODIFIED CASH BASIS BALANCE SHEET
GOVERNMENTAL FUND
JUNE 30, 2023

	General
ASSETS	
Cash and cash equivalents	$ 471,712
Total assets	471,712
FUND BALANCE	
Restricted for debt service	100,000
Unassigned	371,712
Total fund balance	$ 471,712

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, 2023

	General
REVENUES	
Property taxes	497,095
Other local sources	54
Investment earnings	15,387
Total revenues	512,536
EXPENDITURES	
Administrative fee	16,000
Payments to primary government for:	
Water/Wastewater Construction Projects	120,000
Debt Service	195,000
Total expenditures	331,000
Net change in fund balance	181,536
Fund balance at beginning of year	290,176
Fund balance at end of year	471,712

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, 2023 consisted of the following:

	Agency
Petty Cash	$ -
Cash in checking accounts (book balances)	(1,790)
Cash in Local Government Investment Pool	473,502
Total Cash and cash equivalents	**$ 471,712**

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, 2023. 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, 2023, the carrying amounts of the City deposits on behalf of the Agency in various financial institutions were $471,712. All deposits are held in the name of the City. At June 30, 2023, 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, 2023 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 2022-2023. 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 $120,000 was transferred to the City for Construction projects. The Agency also paid $16,000 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, 2023. For the audit period ending June 30, 2023, 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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Property taxes	$ 474,715	$ 474,715	$ 497,095	$ 22,380
Other local sources	800	800	54	(746)
Investment revenue	3,000	3,000	15,387	12,387
Total revenues	478,515	478,515	512,536	34,021
EXPENDITURES				
General government	19,000	19,000	16,000	(3,000)
Public works	420,000	420,000	120,000	(300,000)
Debt services	195,000	195,000	195,000	-
Reserved for future expenditures	127,724	127,724	-	(127,724)
Total expenditures	761,724	761,724	331,000	(430,724)
Excess (deficiency) of revenues over (under) expenditures	(283,209)	(283,209)	181,536	464,745
OTHER FINANCING SOURCES (USES)				
Operating transfers out	-	-	-	-
Net change in fund balance	(283,209)	(283,209)	181,536	464,745
BEGINNING FUND BALANCE	283,209	283,209	290,176	6,967
ENDING FUND BALANCE	$ -	$ -	$ 471,712	$ 471,712

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, 2023, and have issued our report thereon dated January 7, 2025.

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
January 7, 2025

Financial Statements

June 30, 2024

City of Yachats

CITY OF YACHATS
LINCOLN COUNTY, OREGON

OFFICERS AND MEMBERS OF THE GOVERNING BOARD
June 30, 2024

Agency Officials

Craig Berdie
P.O. Box 345
Yachats, Oregon, 97498

Barry Collins
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

Catherine Whitten-Carey
P.O. Box 345
Yachats, Oregon, 97498

Bobbi Price
Agency 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, 2024

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SUPPLEMENTARY INFORMATION

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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2024, 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 36-43 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 January 7, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 January 22, 2025 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
January 22, 2025

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF YACHATS
MODIFIED CASH BASIS STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business Type Activities	Total
ASSETS			
Cash and investments	$ 6,782,605	$ 4,021,611	$ 10,804,216
Capital assets, net	10,588,306	8,095,382	18,683,688
Total assets	17,370,911	12,116,993	29,487,904
LIABILITIES			
Loans Payable			
Due within one year	446,534	-	446,534
Due in more than one year	2,704,912	-	2,704,912
Bonds payable:			
Due within one year	36,000	33,839	69,839
Due in more than one year	277,000	268,073	545,073
Total liabilities	3,464,445	301,912	3,766,358
NET POSITION			
Invested in capital assets	7,123,860	7,793,470	14,917,330
Restricted	2,435,142	3,495,599	5,930,741
Unrestricted	4,347,463	526,012	4,873,475
Total net position	$ 13,906,465	$ 11,815,081	$ 25,721,546

See notes to the financial statements.

CITY OF YACHATS
MODIFIED CASH BASIS STATEMENT OF ACTIVITIES
JUNE 30, 2024

		Program Revenues		Net (Expense) Revenue and Changes in Net Position		
Functions / Programs	**Expenses**	**Charges for Services**	**Capital Grants & Contributions**	**Governmental Activities**	**Business-Type Activities**	**Total**
Governmental activities						
General government	$ 892,805	$ 73,222	$ -	$ (819,583)	$ -	$ (819,583)
Public works	1,280,370	119,141	250,000	(911,229)	-	(911,229)
Culture and recreation	539,018	24,127	-	(514,891)	-	(514,891)
Interest expense	119,094	-	-	(119,094)	-	(119,094)
Total governmental activities	**2,831,287**	**216,490**	**250,000**	(2,364,797)	-	(2,364,797)
Business-type activities						
Water	1,227,878	898,892	-	-	(328,986)	(328,986)
Sewer	1,046,204	845,164	400,000	-	198,960	198,960
Total business-type activities	**2,274,082**	**1,744,056**	**400,000**	-	(130,026)	(130,026)
Total government	**$ 5,105,369**	**$ 1,960,546**	**$ 650,000**	(2,364,797)	(130,026)	(2,494,823)
General revenues						
Taxes						
Property taxes, levied for general purposes				579,120	-	579,120
Property taxes, levied for debt service				47,385	-	47,385
Transient room taxes				1,346,223	-	1,346,223
Food & beverage taxes				517,421	-	517,421
Franchise and public service tax				582,673	-	582,673
Intergovernmental				159,057	-	159,057
Interest and investment earnings				368,222	-	368,222
Other revenues (Expenses)				75,652	136,084	211,736
Transfers, net				(380,000)	380,000	-
Total general revenues and transfers				3,295,753	516,084	3,811,837
Change in net position				930,956	386,058	1,317,014
NET POSITION - BEGINNING				12,975,510	10,876,820	23,852,330
Prior period adjustment				-	552,203	552,203
ENDING NET POSITION				$ 13,906,465	$ 11,815,081	$ 25,721,546

See notes to the financial statements.

FUND FINANCIAL STATEMENTS

CITY OF YACHATS
MODIFIED CASH BASIS BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Capital Expenditure Fund	Debt Service Reserve Fund	SDC Fund	Urban Renewal District Component Unit	Total Governmental Funds
ASSETS						
Cash and Investments	$ 2,390,952	$ 1,658,357	$ 1,324,149	$ 911,099	$ 498,048	$ 6,782,605
Total Assets	**2,390,952**	**1,658,357**	**1,324,149**	**911,099**	**498,048**	**6,782,605**
FUND BALANCES						
Restricted						
Debt Services	-	-	765,648	-	-	765,648
Urban renewal	-	-	-	-	498,048	498,048
Streets	10,181	-	-	-	-	10,181
Tourism/Visitor Amenities	605,269	-	-	-	-	605,269
Construction, improvements and equipment	-	-	-	555,996	-	555,996
Assigned	-	1,658,357	558,501	355,103	-	2,571,961
Unassigned	1,775,502	-	-	-	-	1,775,502
Total fund Balances	**$ 2,390,952**	**$ 1,658,357**	**$ 1,324,149**	**$ 911,099**	**$ 498,048**	**$ 6,782,605**

See notes to the financial statements

CITY OF YACHATS
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO
STATEMENT OF NET POSITION
JUNE 30, 2024

TOTAL FUND BALANCES	**$ 6,782,605**
Capital assets are not financial resources or obligations and therefore are not reported in the Governmental funds:	
Cost of capital assets	$ 10,588,306
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	$ (313,000)
Loans Payable	$ (3,151,445)
TOTAL NET POSITION	**$ 13,906,465**

CITY OF YACHATS
MODIFIED CASH BASIS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
JUNE 30, 2024

	General Fund	Capital Expenditure Reserve Fund	Debt Service Reserve Fund	SDC Fund	Urban Renewal District Component Unit	Total
REVENUES						
Property Taxes	$ 46,447	$ -	$ 47,385	$ -	$ 532,673	$ 626,505
Other Taxes and assessments	1,570,495	-	517,420	-	-	2,087,915
Intergovernmental	59,057	250,000	100,000	-	-	409,057
Licenses and permits	73,222	-	-	-	-	73,222
Charges for services	24,127	-	-	119,141	-	143,268
Investment revenue	239,089	65,802	6,972	26,421	29,938	368,222
Other local revenue	37,672	-	-	-	25	37,697
Miscellaneous	35,097	89,110	-	-	-	124,207
Total Revenues	**2,085,206**	**404,912**	**671,777**	**145,562**	**562,636**	**3,870,093**
EXPENDITURES						
Current						
General government	856,505	-	-	-	36,300	892,805
Public Works	99,006	-	-	-	400,000	499,006
Culture and recreation	539,018	-	-	-	-	539,018
Debt Services	-	-	-	-	-	-
Principle	-	-	506,211	-	100,000	606,211
Interest	-	-	119,094	-	-	119,094
Capital outlay	-	781,364	-	-	-	781,364
Total expenditures	**1,494,529**	**781,364**	**625,305**	**-**	**536,300**	**3,437,498**
Excess (deficiency) of revenues over (under) expenditure	590,677	(376,452)	46,472	145,562	26,336	432,595
OTHER FINANCING SOURCES (USES)						
Operating transfers in	-	520,000	43,000	-	-	563,000
Operating transfers out	(894,000)	-	-	(49,000)	-	(943,000)
Total Other financing sources (uses)	**(894,000)**	**520,000**	**43,000**	**(49,000)**	**-**	**(380,000)**
Net Change in fund balances	(303,323)	143,548	89,472	96,562	26,336	52,595
BEGINNING FUND BALANCES	2,694,275	1,514,809	1,234,677	814,537	471,712	6,730,010
ENDING FUND BALANCE	**$ 2,390,952**	**$ 1,658,357**	**$ 1,324,149**	**$ 911,099**	**$ 498,048**	**$ 6,782,605**

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, 2024

NET CHANGE IN FUND BALANCE	$	52,595
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.	$	272,150
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	$	606,211
CHANGE IN NET POSITION	**$**	**930,956**

PROPRIETARY FUNDS

CITY OF YACHATS
MODIFIED CASH BASIS STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF JUNE 30, 2024

	Water Fund	Sewer Fund	Total Proprietary
ASSETS			
Current assets			
Cash and investments	$ 2,300,317	$ 1,721,294	$ 4,021,611
Total current assets	2,300,317	1,721,294	4,021,611
Noncurrent assets			
Capital assets, net	2,386,288	5,709,094	8,095,382
Total noncurrent liabilities	2,386,288	5,709,094	8,095,382
Total assets	**4,686,605**	**7,430,388**	**12,116,993**
LIABILITIES			
Current liabilities			
Revenue bonds payable - current portion	33,839	-	33,839
Total current liabilities	33,839	-	33,839
Noncurrent liabilities			
Revenue bonds payable	268,073	-	268,073
Total noncurrent liabilities	268,073	-	268,073
Total liabilities	**301,912**	**-**	**301,912**
NET POSITION			
Invested in capital assets, net of related debt	2,084,376	5,709,094	7,793,470
Restricted	2,077,703	1,417,896	3,495,599
Unrestricted	222,614	303,398	526,012
Total net position	**$ 4,384,693**	**$ 7,430,388**	**$ 11,815,081**

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, 2024

	Water Fund	Sewer Fund	Total Proprietary
OPERATING REVENUES			
Charges for services	$ 898,892	$ 845,164	$ 1,744,056
Intergovernmental	-	400,000	400,000
Other revenues	71,974	64,110	136,084
Total operating revenues	**970,866**	**1,309,274**	**2,280,140**
OPERATING EXPENSES			
Public works			
Personnel services	334,182	310,902	645,084
Materials and services	264,033	252,050	516,083
Capital outlay	493,438	292,825	786,263
Depreciation	136,225	190,427	326,652
Total operating expenses	**1,227,878**	**1,046,204**	**2,274,082**
Operating income (loss)	(257,012)	263,070	6,058
NON-OPERATING REVENUES (EXPENSES)			
Operating transfers in	423,000	-	423,000
Operating transfers out	(43,000)	-	(43,000)
Total non-operating revenues (expenses)	**380,000**	**-**	**380,000**
Change in net position	122,988	263,070	386,058
BEGINNING NET POSITION	4,014,338	6,862,482	10,876,820
Prior period adjustment (capital assets)	247,367	304,836	552,203
ENDING NET POSITION	**$ 4,384,693**	**$ 7,430,388**	**$ 11,815,081**

See notes to the financial statements.

CITY OF YACHATS
MODIFIED CASH BASIS STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Water Fund	Sewer Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	$ 970,866	$ 1,309,274	$ 2,280,140
Cash payments for goods and services	(757,471)	(544,875)	(1,302,346)
Cash payments to employees	(334,182)	(310,902)	(645,084)
Net cash provided by (used by) operating activities	**(120,787)**	**453,497**	**332,710**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating transfers in	423,000	-	423,000
Operating transfers (out)	(43,000)	-	(43,000)
Net cash provided by (used by) noncapital financing activities	**380,000**	**-**	**380,000**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	-	-	-
Net cash provided by (used by) noncapital financing activities	**-**	**-**	**-**
Increase (decrease) in cash and investments	259,213	453,497	712,710
CASH AND INVESTMENTS, BEGINNING OF YEAR	2,041,104	1,267,797	3,308,901
CASH AND INVESTMENTS, END OF YEAR	2,300,317	1,721,294	4,021,611
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income (loss)	**(257,012)**	**263,070**	**6,058**
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation	136,225	190,427	326,652
Total adjustments	**136,225**	**190,427**	**326,652**
Net cash provided by operating activities	**$ (120,787)**	**$ 453,497**	**$ 332,710**

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 2023-2024 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 $1,514,810 cash balance at June 30, 2023. 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 onthem.

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, 2024 consisted of the following:	
Petty Cash	$ 100
Cash in checking accounts (book balances)	662,378
Cash in Local Government Investment Pool	10,141,738
Total Cash and investments	**10,804,216**
Cash and investments by funds at June 30, 2024:	
Governmental Funds	
General Fund	2,390,952
Capital Expenditure Fund	1,658,357
Debt Service Reserve	1,324,149
System Development Charges	911,099
Urban Renewal City (component unit)	498,048
Total Governmental Funds	**6,782,605**
Proprietary Funds	
Water Fund	2,300,317
Sewer Fund	1,721,294
Total Proprietary Funds	4,021,611
Total	**$ 10,804,216**

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, 2024. 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, 2024, the carrying amounts of the City deposits in various financial institutions were $662,378. All deposits are held in the name of the City. At June 30, 2024, 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 2023-2024. 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, 2024 was as follows:

Description	Beginning Balance	Additions	Deletions	Ending Balance
GOVERNMENTAL ACTIVITY CAPITAL ASSETS				
Land and improvements	3,539,249	417,889	-	3,957,138
Building and improvements	2,168,663	87,932	146,707	2,109,888
Streets/HWY 101 Improvement	3,457,651	-	-	3,457,651
Vehicles and Equipment	666,003	51,257	-	717,260
Software	93,221	-	-	93,221
Books and Periodicals	253,148	-	-	253,148
Total Governmental Capital Assets	**10,177,935**	**557,078**	**146,707**	**10,588,306**
BUSINESS TYPE ACTIVITY CAPITAL ASSETS				
Capital assets not depreciated				
Land	113,035	46,583	-	159,618
Construction work in progress	-	103,660	-	103,660
Total capital assets not being depreciated	**113,035**	**150,243**	**-**	**263,278**
Capital assets being depreciated				
Building and improvements	232,597	86,203	-	318,800
Vehicles and equipment	649,955	254,322	-	904,278
Water plant and system	3,961,832	-	-	3,961,832
Water reservoir	399,205	-	-	399,205
Wastewater treatment plant/system	7,525,839	23,459	-	7,549,298
Total capital assets being depreciated	**12,769,428**	**363,984**	**-**	**13,133,412**
Less accumulated depreciation				
Buildings and improvements	108,147	10,073	-	118,219
Vehicles and equipment	421,155	51,873	-	473,027
Water plant and system	2,116,985	92,489	-	2,209,474
Water reservoir	222,007	7,984	-	229,991
Wastewater treatment plant/system	2,106,364	164,233	-	2,270,596
Total Accumulated Depreciation	**4,974,657**	**326,652**	**-**	**5,301,308**
Total Business-Type Capital Assets, Net	7,907,807	187,575	-	8,095,382
Total Net Capital Assets	**18,085,742**	**744,653**	**146,707**	**18,683,687**

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 $326,652 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 6/30/2023	Issued	Refinanced	Reductions	Ending Balance 6/30/2024	Due in One Year
Governmental Activities									
General Obligations Bonds									
3/17/2017 Water Refunding Bond	$ 533,000	2031	3.00%	$ 347,000	$ -	$ -	$ 34,000	$ 313,000	$ 36,000
Loans									
6/17/05 DEQ	6,671,721	2029	2.90%	2,463,801	-	-	381,657	2,082,144	392,805
5/27/09 IFA Loans	519,343	2033	3.0-4.75%	206,611	-	-	21,582	185,029	22,661
3/9/16 Safe Drinking Water Fund	1,030,000	2048	1.00%	915,033	-	-	30,760	884,272	31,068
Total Governmental activities				**3,932,445**	**-**	**-**	**467,999**	**3,464,445**	**482,534**
Business-type activities									
Revenue Bonds									
3/17/2017 Water Revenue Refunding Bond	$ 512,000	2032	3.07%	334,736	-	-	32,824	301,912	33,839
Total Business-type activities				**$ 334,736**	**$ -**	**$ -**	**$ 32,824**	**$ 301,912**	**$ 33,839**

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**
2025	36,000	8,850	33,839	9,011	446,534	90,085
2026	36,000	7,770	34,886	7,964	459,453	75,173
2027	37,000	6,675	35,965	6,885	472,765	59,811
2028	38,000	5,550	37,078	5,772	486,484	43,981
2029	40,000	4,380	38,225	4,625	500,602	27,668
2030-2034	126,000	5,730	121,918	6,633	226,373	57,742
2035-2039	-	-	-	-	175,057	24,495
2040-2044	-	-	-	-	183,987	15,566
2045-2049	-	-	-	-	200,190	6,181
Thereafter	-	-	-	-	-	-
Total	**$ 313,000**	**$ 38,955**	**$ 301,912**	**$ 40,891**	**$ 3,151,445**	**$ 400,703**

NOTE 6 - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2024 were as follows:

	Transfers In	Transfers Out
Governmental Funds		
General Fund	$ -	$ 894,000
Capital Expenditure Fund	520,000	-
Debt Service Reserve	43,000	-
System Development Charges	-	49,000
Total Governmental Funds	**563,000**	**943,000**
Proprietary Funds		
Water Fund	423,000	43,000
Sewer Fund	-	-
Total Proprietary Funds	**423,000**	**43,000**
Total	**$ 986,000**	**$ 986,000**

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 2024, 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- 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, 2024. For the audit period ending June 30, 2024, no subsequent events were identified for disclosure.

NOTE 11 – CHANGE IN ACCOUNTING PRINCIPLE

There were no changes in accounting principal in fiscal year 2024.

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, 2024

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final
REVENUES				
Property taxes	$ 51,000	$ 51,000	$ 46,447	$ (4,553)
Other taxes	1,043,300	1,043,300	1,570,495	527,195
Intergovernmental	60,000	60,000	59,057	(943)
Licenses and permits	34,000	34,000	73,222	39,222
Charges for services	18,000	18,000	24,127	6,127
Investment revenue	70,000	70,000	239,089	169,089
Other local revenue	16,150	16,150	37,672	21,522
Miscellaneous	100	100	35,097	34,997
Total revenues	1,292,550	1,292,550	2,085,206	792,656
EXPENDITURES				
General government	726,560	726,560	856,505	129,945
Public works	93,100	93,100	99,006	5,906
Culture and recreation	265,750	265,750	539,018	273,268
Capital expenditures	-	-	-	-
Total expenditures	1,085,410	1,085,410	1,494,529	409,119
Reserved for future years	643,253	643,253	-	(643,253)
Contingency	78,000	78,000	-	(78,000)
Total expenditures	1,806,663	1,806,663	1,494,529	(312,134)
Excess (deficiency) of revenues over (under) expenditures	(514,113)	(514,113)	590,677	1,104,790
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	(496,000)	(496,000)	(894,000)	(398,000)
Total other financing sources (uses)	(496,000)	(496,000)	(894,000)	(398,000)
Net change in fund balance	(1,010,113)	(1,010,113)	(303,323)	706,790
BEGINNING FUND BALANCE	1,010,113	1,010,113	2,694,275	1,684,162
ENDING FUND BALANCE	$ -	$ -	$2,390,952	$2,390,952

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, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Charges for Services	$ 42,300	$ 42,300	$ 119,141	$ 76,841
Investment revenue	18,000	18,000	26,421	8,421
				-
Total revenues	60,300	60,300	145,562	85,262
EXPENDITURES				
Current				
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Debt service				-
Principal	-	-	-	-
Interest and fees	-	-	-	-
Capital outlay	-	-	-	-
Reserved for future years	822,825	822,825	-	(822,825)
Total Expenditures	822,825	822,825	-	(822,825)
				-
Excess (deficiency) of revenues over (under) expenditures	(762,525)	(762,525)	145,562	908,087
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	(49,000)	(49,000)	(49,000)	-
Total other financing sources (uses)	(49,000)	(49,000)	(49,000)	-
Net change in fund balance	(811,525)	(811,525)	96,562	908,087
BEGINNING FUND BALANCE	811,525	811,525	814,537	3,012
ENDING FUND BALANCE	$ -	$ -	$ 911,099	$ 911,099

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, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Property taxes	$ 535,881	$ 535,881	$ 532,673	$ (3,208)
Other local sources	-	-	25	25
Investment revenue	10,000	10,000	29,938	19,938
Total revenues	545,881	545,881	562,636	16,755
EXPENDITURES				
General government	39,000	39,000	36,300	(2,700)
Public works	400,000	400,000	400,000	-
Debt services	100,000	100,000	100,000	-
Reserved for future expenditures	456,277	456,277	-	(456,277)
Total expenditures	995,277	995,277	536,300	(458,977)
Excess (deficiency) of revenues over (under) expenditures	(449,396)	(449,396)	26,336	475,732
OTHER FINANCING SOURCES (USES)				
Operating transfers out	-	-	-	-
Net change in fund balance	(449,396)	(449,396)	26,336	475,732
BEGINNING FUND BALANCE	449,396	449,396	471,712	22,316
ENDING FUND BALANCE	$ -	$ -	$ 498,048	$ 498,048

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, 2024

	Budgeted Amounts		Actual	Variance witl
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental	$ -	$ -	$ -	$ -
Anticipated grants	650,000	650,000	250,000	(400,000)
Gifts/Donations	-	-	89,110	89,110
Investment revenue	32,000	32,000	65,802	33,802
Total revenues	682,000	682,000	404,912	(277,088)
EXPENDITURES				
Capital outlay	1,062,972	1,062,972	781,364	(281,608)
Reserved for future expenditures	1,468,462	1,468,462	-	(1,468,462)
Total expenditures	2,531,434	2,531,434	781,364	(1,750,070)
Excess (deficiency) of revenues over (under) expenditures	(1,849,434)	(1,849,434)	(376,452)	1,472,982
OTHER FINANCING SOURCES (USES)				
Operating transfers in	255,000	255,000	520,000	265,000
Operating transfers out	-	-	-	-
Total other financing sources (uses)	255,000	255,000	520,000	265,000
Net change in fund balance	(1,594,434)	(1,594,434)	143,548	1,737,982
BEGINNING FUND BALANCE	1,594,434	1,594,434	1,514,809	(79,625)
ENDING FUND BALANCE	$ -	$ -	$1,658,357	$1,658,357

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, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Property Taxes	$ 44,600	$ 44,600	$ 47,385	$ 2,785
Food and Beverage Taxes	460,000	460,000	517,420	57,420
Intergovernmental	100,000	100,000	100,000	-
Investment Revenue	5,656	5,656	6,972	1,316
Total Revenues	610,256	610,256	671,777	61,521
Expenditures				
Debt Service Principal	506,211	506,211	506,211	-
Debt Service Interest	107,722	107,722	107,722	-
Debt Service Fees	11,372	11,372	11,372	
Reserved for future years	1,227,133	1,227,133	-	(1,227,133)
Total expenditures	1,852,438	1,852,438	625,305	(1,227,133)
Excess (deficiency) of revenues over (under) expenditures	(1,242,182)	(1,242,182)	46,472	1,288,654
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	(1,199,182)	(1,199,182)	89,472	1,288,654
Beginning fund balance	1,199,182	1,199,182	1,234,677	35,495
Ending fund balance	$ -	$ -	$1,324,149	$1,324,149

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, 2024

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Final Budget
Revenues				
Charges for services	$ 894,700	$ 894,700	$ 898,892	$ 4,192
Intergovernmental	-	-	-	-
Other revenues	18,000	18,000	71,974	53,974
Total Revenues	912,700	912,700	970,866	58,166
Expenditures				
Public Works				
Personnel services	408,100	408,100	334,182	(73,918)
Materials and services	329,000	329,000	264,033	(64,967)
Capital expenditures	1,081,400	1,081,400	493,438	(587,962)
Contingencies	-	-		
Reserved for future years	1,495,618	1,495,618	-	(1,495,618)
Total expenditures	3,314,118	3,314,118	1,091,653	(2,222,465)
Excess(deficiency) of revenues over (under expenditures	(2,401,418)	(2,401,418)	(120,787)	2,280,631
Other Financing Sources (Uses)				
Operating transfers in	423,000	423,000	423,000	-
Operating transfers out	(43,000)	(43,000)	(43,000)	-
Net change in net position	(2,021,418)	(2,021,418)	259,213	2,280,631
BEGINNING UNRESTRICTED NET POSITION	2,021,418	2,021,418	2,041,104	19,686
ENDING UNRESTRICTED NET POSITION	$ -	$ -	2,300,317	$2,300,317
Net investment in capital assets			2,084,376	
ENDING NET POSITION			$4,384,693	

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, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Charges for services	$ 842,500	$ 842,500	$ 845,164	$ 2,664
Intergovernmental	400,000	400,000	400,000	-
Other local revenue	27,000	27,000	64,110	37,110
Total revenues	1,269,500	1,269,500	1,309,274	39,774
EXPENDITURES				
Public works				-
Personnel services	484,700	484,700	310,902	(173,798)
Materials and services	297,900	297,900	252,050	(45,850)
Capital expenditures	690,000	690,000	292,825	(397,175)
Contingencies	-	-	-	-
Reserved for future years	1,014,649	1,014,649	-	(1,014,649)
Total expenditures	2,487,249	2,487,249	855,777	(1,631,472)
Excess (deficiency) of revenues over (under) expenditures	(1,217,749)	(1,217,749)	453,497	1,671,246
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Net change in net position	(1,217,749)	(1,217,749)	453,497	1,671,246
BEGINNING UNRESTRICTED NET POSITION	1,217,749	1,217,749	1,267,797	50,048
ENDING UNRESTRICTED NET POSITION	$ -	$ -	$1,721,294	$1,721,294
Net investment in capital assets			5,709,094	
ENDING NET POSITION			$7,430,388	

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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated January 22, 2025. 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 2024-01 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
January 22, 2025

Schedule of Findings and Responses

Findings – Financial Statement Audit

Significant Deficiency in Internal Control Over Financial Reporting

2024-01 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, 2024 and have issued our report thereon dated January 22, 2025. 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 2024-01 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
January 22, 2025

Yachats Urban Renewal Agency

(A Component Unit of the City of Yachats)

Annual Financial Report
For the Fiscal Year Ended June 30, 2024

Yachats Urban Renewal Agency
LINCOLN COUNTY, OREGON

OFFICERS AND MEMBERS OF THE GOVERNING BOARD
June 30, 2024

Agency Officials

Craig Berdie
P.O. Box 345
Yachats, Oregon, 97498

Barry Collins
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

Catherine Whitten-Carey
P.O. Box 345
Yachats, Oregon, 97498

Bobbi Price
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, 2024

TABLE OF CONTENTS

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, 2024, 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, 2024, 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 January 22, 2025 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
January 22, 2025

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

YACHATS URBAN RENEWAL AGENCY
MODIFIED CASH BASIS STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 498,048
Total assets	498,048
NET POSITION	
Restricted	100,000
Unrestricted	398,048
Total net position	$ 498,048

See accompanying notes to the financial statements.

YACHATS URBAN RENEWAL AGENCY
MODIFIED CASH BASIS STATEMENT OF ACTIVITIES
JUNE 30, 2024

	Governmental Activities
GENERAL REVENUES	
Property taxes	532,673
Other local sources	25
Investment earnings	29,938
Total general revenues	562,636
URBAN RENEWAL EXPENDITURES	
Administrative fee	36,300
Transfers to primary government for:	
Construction Projects	400,000
Debt Service	100,000
Total expenditures	536,300
Change in Net Position	26,336
Net position - beginning	471,712
Net position - ending	498,048

See accompanying notes to the financial statements.

FUND FINANCIAL STATEMENTS

YACHATS URBAN RENEWAL AGENCY
MODIFIED CASH BASIS BALANCE SHEET
GOVERNMENTAL FUND
JUNE 30, 2024

	General
ASSETS	
Cash and cash equivalents	$ 498,048
Total assets	498,048
FUND BALANCE	
Restricted for debt service	100,000
Unassigned	398,048
Total fund balance	$ 498,048

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, 2024

	General
VENUES	
Property taxes	532,673
Other local sources	25
Investment earnings	29,938
tal revenues	562,636
PENDITURES	
Administrative fee	36,300
Payments to primary government for:	
Water/Wastewater Construction Projects	400,000
Debt Service	100,000
tal expenditures	536,300
t change in fund balance	26,336
nd balance at beginning of year	471,712
nd balance at end of year	498,048

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, 2024 consisted of the following:

	Agency
Petty Cash	$ -
Cash in checking accounts (book balances)	(2,090)
Cash in Local Government Investment Pool	500,138
Total Cash and cash equivalents	**$ 498,048**

Note 3 - DEPOSITS AND INVESTMENTS

A. Deposits

<u>Deposits with financial Institutions</u>

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, 2023. 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, 2024, the carrying amounts of the City deposits on behalf of the Agency in various financial institutions were $498,048. All deposits are held in the name of the City. At June 30, 2024, 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, 2024 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 2023-2024. 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, $100,000 was transferred to the City for Debt Payments and $400,000 was transferred to the City for Construction projects. The Agency also paid $36,300 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, 2024. For the audit period ending June 30, 2024, 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, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Property taxes	$ 535,881	$ 535,881	$ 532,673	$ (3,208)
Other local sources	-	-	25	25
Investment revenue	10,000	10,000	29,938	19,938
Total revenues	545,881	545,881	562,636	16,755
EXPENDITURES				
General government	39,000	39,000	36,300	(2,700)
Public works	400,000	400,000	400,000	-
Debt services	100,000	100,000	100,000	-
Reserved for future expenditures	456,277	456,277	-	(456,277)
Total expenditures	995,277	995,277	536,300	(458,977)
Excess (deficiency) of revenues over (under) expenditures	(449,396)	(449,396)	26,336	475,732
OTHER FINANCING SOURCES (USES)				
Operating transfers out	-	-	-	-
Net change in fund balance	(449,396)	(449,396)	26,336	475,732
BEGINNING FUND BALANCE	449,396	449,396	471,712	22,316
ENDING FUND BALANCE	$ -	$ -	$ 498,048	$ 498,048

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, 20234 and have issued our report thereon dated January 22, 2025.

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
January 22, 2025

CITY OF YACHATS

CAPITAL IMPROVEMENT PROJECTS

3/6/2025

					CIP BUDGET		FISCAL 2024-2025		SPEND or CARRY		CIP 5 YEAR PROJECTION							
[redacted]					ADOPTED APPROP	APPROPS AFTER RECLASS	(ACTUAL) SPEND TO DATE	(REMAINING) AVAILABLE TO YEAR END	Estimated Spending Apr-Jun	CARRY FORWARD	* FISCAL CIP YR1	*FISCAL CIP YR2	*FISCAL CIP YR3	*FISCAL CIP YR4	*FISCAL CIP YR5	*FISCAL CIP >5YRS	TOTAL CIP	NOTES
FUND/CODE		MASTERPLAN	DEPARTMENT / DETAIL		2024-2025	date	3/6/2025				2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	>2030	2025<	
ENTERPRISE	PRIORITY #		WATER (WTP)															
	1	M/P D-02 (1)	System Pressure Release Valve Rehab/ Update	50,000	-			0		-		-	50,000	-	-	-	50,000	
	1	M/P D-03 (1)	Windsong Street Service Reconnections	11,000	-			0		-		-	11,000	-	-	-	11,000	
	1	M/P D-04 (1)	New PRV at 7th Street & Radar Road	100,000	-			0		-		-	101,000	-	-	-	101,000	
	1	M/P D-05 (1)	New PRV on King Street Between 7th and Prospect Ave	101,000	-			0		-		-	101,000	-	-	-	101,000	
	1	M/P D-06 (1)	New 8" Water Main on Radar Road at Prospect Ave	57,000	-			0		-		-	57,000	-	-	-	57,000	Lines are Asbestos Concrete. Pending resolution on tank placement. Not Looping Projects
	1	M/P D-07 (1)	New 8" Water Main on King Street at Prospect Ave	86,000	-			0		-		-	86,000	-	-	-	86,000	Lines are Asbestos Concrete. Pending resolution on tank placement. Not Looping Projects
	1	M/P D-10 (1)	Combs Circle Pressure Release Valve Rehab	40,000	-			0		-		-	40,000	-	-	-	40,000	
	1	M/P D-13	2ND ST PH3 Loma to River Rd Engineering - Water	15,000	15,000	15,000	1,750	13,250	13,250	0	0						0	Engineering 45k, 15k water, 10k wastewater, 20k streets storms
E2PHS3WL	1	M/P D-13 (1)	'2ND ST PH3 Loma to River Rd Waterline Construction	150,000	75,000	42,756		42,756		42,756	150,000						150,000	
	1	M/P S-03 (1)	Analysis / Engineering SWLCWPUD	75,000	70,000	70,000	14,362	55,638	0	0	50,000	50,000	50,000	50,000	50,000	50,000	300,000	Analysis / Engineering of Prosp. Intertie Agreement w/SWLCPUD
	1	M/P S-05 (1)	Reedy Creek Raw Water Pipeline Improvements	208,000	104,000	104,000	25,000	79,000	0	79,000	300,000						300,000	
	1	M/P T-01 (1)	Water Plant Electrical Control Systems - MCC (Master Control)	814,000	-			0		-		407,000	407,000				814,000	Motor Drives are breaking down. Operating only at 50%.
WTPUPGRD	1	M/P T-01 (1)	WTP Upgrade CIP Annually	30,000	30,000	30,000	16,797	13,203	5,000	0	30,000	30,000	30,000	30,000	30,000	30,000	180,000	
	2	M/P D-08 (2)	New 8" Water Main on West Third Street	167,000	0	-	-	-	-	-	-	210,000	-	-	-	-	210,000	
	2	M/P D-08 (2)	West Third Street Engineering Water								30,000						30,000	Split between Wastewater, Storm Drains, Streets
	2	M/P D-09 (2)	New 4" Water Main and PRV on Horizon Hill Road (hillside rock)	737,000	0	-	-	-	-	-	-	-	-	-	-	737,000	737,000	
	2	M/P D-11 (2)	Yachats Ocean Road Service Reconnections	20,000	0	-	-	-	-	-	-	-	-	-	-	20,000	20,000	
	2	M/P D-15 (2)	Pontiac Street Waterline - 3rd to 4th	88,000	0	-	-	-	-	-	-	88,000	-	-	-	-	88,000	
	2	M/P D-16 (2)	Shell Street Waterline	79,000	0	-	-	-	-	-	-	-	-	-	-	79,000	79,000	
	2	M/P D-17 (2)	Gender Drive and Windy Way Waterlines	254,000	0	-	-	-	-	-	-	-	-	-	-	254,000	254,000	
	2	M/P D-18 (2)	Pontiac Street Waterline - 2nd to 3rd	105,000	0	-	-	-	-	-	-	105,000	-	-	-	-	105,000	
	2	M/P D-19 (2)	Hanley Drive Waterline	47,000	0	-	-	-	-	-	-	-	-	-	-	47,000	47,000	
	2	M/P P-01 (2)	New Radar Road Pump Station	767,000	0	-	-	-	-	-	-	-	-	-	-	767,000	767,000	
	2	M/P P-02 (2)	New Horizon Hill Pump Station & Reservoir	1,079,000	0	-	-	-	-	-	-	-	-	-	-	1,079,000	1,079,000	
	2	M/P ST-01 (2)	New 200,000-gallon Lower Radar Road Reservoir	2,000,000	0	-	-	-	-	-	-	-	-	-	-	2,000,000	2,000,000	
RESSEVAL	2	M/P ST-02 (2)	Water Tank Seismic Retrofit Engineering	60,000	30,000	30,000	25,973	4,027	4,027	0	-	-	-	-	-	-	0	
	2	M/P ST-04	Feasibility Study For Water Tank - New Reservoir Site			3,430	3,430				210,000						210,000	Includes Geotech Study, Surveying, Engineering Review
	2	M/P ST-05	1,000,000-gallon Reservoir Replacement	6,000,000	0	-	-	-	-	-	-	-	10,000,000	-	-		10,000,000	Hoping for a 1.5 Million Gallon Tank
WPCLRRHB	2	M/P T-02 (2)	Water Plant Clarifier - Rehabilitation of Drives ($641k)	250,000	250,000	250,000		250,000		250,000		250,000	-	-	-	-	250,000	Critical Path. System is operating at less than optimum functionality.
	2	M/P T-03 (2)	WTP Mixed Media Filter Rehabilitation	350,000	0	-	-	-	-	-	-	-	-	-	-	350,000	350,000	
	2	M/P T-04 (2)	WTP Pump and Compressor Upgrades	402,000	0	-	-	-	-	-	-	402,000	-	-	-	402,000	804,000	
	2	M/P T-07 (2)	WTP Building Seismic Retrofit	270,000	-			0		0		-	-	-	-	270,000	270,000	
	3	M/P D-20 (3)	Automated Water Meter Reading System	318,000	0	-	-	-	-	-	-	-	-	-	-	318,000	318,000	
			Annual Hydrant Replacements	10,000	10,000	10,000		10,000	10,000	0	30,000	30,000	30,000	30,000	30,000	30,000	180,000	
			Blackstone 126 res Fence	25,000	25,000	25,000	25,000	0		0							0	
WTPLNDAC			Property Acquisition, Surveys, Geotech	250,000	280,000	276,570	221,268	55,302	0	55,302		-	-	-	-	-	0	
WELECGT			Public Works Slide Gate	20,000	20,000	20,000		20,000	20,000	0		-	-	-	-	-	0	
WTPSCADA			SCADA Upgrade	60,000	30,000	30,000	0	30,000		30,000	30,000	30,000	30,000	30,000	30,000	30,000	180,000	SCADA
			South Tank Seismic Improvements		0	37,244	37,244											
			Water Booster Stations Gensets	70,000	70,000	70,000		70,000	0	70,000	80,000						80,000	
			Water Meter Upgrades			20,000	9,908	10,092	10,092	0	25,000	25,000	25,000	25,000	25,000	25,000	150,000	
			Water Treatment Plant Fence	20,000	20,000	20,000	20,000	0		0							0	
			Water Unplanned / Contingency		25,000					0	25,000	25,000	25,000	25,000	25,000	25,000	150,000	
			TOTAL WTP	**15,096,000**	**1,054,000**	**1,054,000**	**400,732**	**653,268**	**62,369**	**527,058**	**960,000**	**1,652,000**	**11,043,000**	**190,000**	**190,000**	**6,513,000**	**20,548,000**	20,548,000
ENTERPRISE	PRIORITY #	MASTERPLAN	WASTEWATER (WWTP)															
	1	M/P G-01 (1)	Sewer Line from King Street to 3rd Street (Manhole D-220 to Manhole D-270)	140,000	-			0		0		-	140,000	-		-	140,000	King St & 3rd. Cure pipe in place. Revised M/P Priority.
	1	M/P G-02 (1)	Mainline A Manhole between A-040 to A-050	141,000	-			0		0	15,000	-	-	-	-	141,000	156,000	10k for easements. Not underperforming. Upgrade when expansion at Adobe Expansion occurs. Easement for properties south of Adobe.
	1	M/P G-03 (1)	Mainline D Manhole D-010 to D-030, Ocean View Drive	263,000	-	-	-	-	-	-	-	-	45,000	263,000		-	308,000	45k for engineering. Calculation issue. Is a 10" s/b 12" Currently performing for demand. 5-10 years out.
	1	M/P G-04 (1)	Hanley Drive Sewer Manholes	40,000	20,000	20,000		20,000	20,000	0	20,000	-	-	-	-	-	20,000	
	1	M/P G-05 (1)	Wastewater Collection System Design Standards	5,000	0	20,000		20,000	20,000	0	0	-	-	-	-	-	0	
PUMPPLGS	1	M/P P-01 (1)	Submersible Pump Plug Engineering & Installation	371,000	300,000	300,000	236,982	63,018	63,018	0		-	-	-	-	-	0	Pump Plugs - price increased to 371k, estimating 71k spending FY23-24 and another 300k FY24-25
WWBUPGEN	1	M/P P-02	WW Portable + Backup Generator			36,138	36,138											
	1	M/P P-03 (1)	Quiet Water Lift Station Improvements	493,000	-			0		0	50,000	250,000	193,000			-	493,000	5-10 Years Out. QW Pump Station is functioning well. Demand is stable. PW recommends review at 5 years - rehab vs. new installation. 50K Engineering. Split Rest into two years for summer construction
	1	M/P T-02 (1)	SBR and Digester Diffuser Membrane Replacement	15,000	-			0		0		-	-	-	-	15,000	15,000	at 10 years. Just completed at MP.
	1	M/P T-04 (1)	PW Rehab - Roofing	200,000	-			0	0	0					100,000	100,000	200,000	
	1	M/P T-04 (1)	PW Rehab Exterior Panels	350,000	-			0	0	0					100,000	250,000	350,000	
	1	M/P T-05 (1)	Outfall Pipeline Improvements	120,000	-			0		0	230,000	-	-			-	230,000	30K for engineering, 200K for construction
	2	M/P F-01	Pontiac Lift Station Force Main Engineering	45,000							12,000						12,000	
	2	M/P F-01 (2)	Pontiac Lift Station Force Main Improvements	121,000	-	-	-	-	-	-	-	121,000	-	-	-		121,000	5-10 years out. 'Current performance is acceptable. Pump plugs repair/upgrade to improve perf.
	2	M/P F-02	Riverside Lift Station Force Main Engineering								33,000						33,000	
MLSUPGRD	2	M/P P-04 (2)	Main Lift Station Improve	405,000	166,000	166,000	52,244	113,756	113,756	0	166,000		-	-	-	-	166,000	
	2	M/P P-05 (2)	Parkside Lift Station Improvements	218,000	-	-	-	-	-	-	-	109,000	109,000	-	-	-	218,000	5-10 years out. 'Current performance is acceptable. Pump plugs repair/upgrade to improve perf.
	2	M/P P-06 (2)	Riverside Lift Station Improvements	250,000	50,000	50,000	35,468	14,532			0	100,000	100,000	-	-	-	200,000	On list. Higher Priority Within next three years. Eng. Year 1. Install in year 2. MP $326k
	2	M/P P-07 (2)	Pontiac Lift Station Improvements	218,000	-	-	-	-	-	-	-	109,000	109,000	-			218,000	5-10 years out. 'Current performance is acceptable. Pump plugs repair/upgrade to improve perf.
	2	M/P T-07 (2)	New Biosolids Disposal Site Acquisition	50,000	-			0		0		-	-	-	-	50,000	50,000	Actively looking. Keep in year 1 as priority. Current removal costs are high. Landfill more expensive. Long term need a place to put biosolids.
	2	M/P T-08 (2)	Biosolids Manure Spreader	100,000	-	-	-	-	-	-	-	-	-	-	-	100,000	100,000	Contingent on land purchase
	2	M/P T-09 (2)	Aerobic Digester and Sludge Storage Tank Air Supply System Imps.	223,000	-	-	-	-	-	-	-	-	-	-	-	223,000	223,000	5-10 years out. Improvement will occur w/Air Valve Replacement, SCADA controls updates.
	2	M/P T-10 (2)	Aerobic Digester Tank Coating and Piping Improvements	330,000	-	-	-	-	-	-	-	-	-	-	-	330,000	330,000	5-10 years out. Improvement anticipated with installed new lining.
	2	M/P T-11 (2)	SBR, EQ Basin, & Digester Control System Upgrades	972,000	-	-	-	-	-	-	-	-	-	-	-	972,000	972,000	15-20 year plan
	2	**M/P T-12 (2)**	UV Disinfection Control Upgrades	85,000	85,000	85,000	8,900	76,100	76,100	0		-	-	-	-	-	0	Moved to higher priority.
	2	M/P T-13 (2)	SBR Basin #3	1,236,000	-	-	-	-	-	-	-	-	-	-	-	1,236,000	1,236,000	Expansion of SBR contingent on demand increasing. Currently at 30%. Potentially partner further North.
			Annual Inflow and Infiltration (I&I) Rehabilitation	40,000	40,000	40,000		40,000	40,000	0	40,000	40,000	40,000	40,000	40,000	40,000	240,000	
			Multi-VFD Upgrades	50,000	25,000	0	0	0	0	0	25,000	-	-	-	-	-	25,000	
			Man Doors PW Bldg #2	15,000	15,000	15,000	0	15,000	15,000	0		-	-	-	-	-	0	Fire Chief requested rated doors
WWELECGT			Public Works Slide Gate	25,000	25,000	26,000	0	26,000	26,000	0		-	-	-	-	-	0	
			GIS Mapping & Geolocation Utility Line Hardware	25,000	25,000	25,000	10,597	14,403	0	0		-	-	-	-	-	0	Utility Line / GIS Geolocates
			'2ND PH3 Loma to River Rd Wasteline Engineering	10,000	10,000	10,000	875	9,125	9,125	0	0	-	-	-	-	-	0	Engineering 45k, 15k water, 10k wastewater, 20k streets storms
E2PHS3WW			**'2ND PH**3 Loma to River Rd Wasteline Construction	50,000	50,000	50,000	0	0	0	50,000	50,000	-	-	-	-	-	50,000	
			PW Fuel Tank & Trailer	15,000	15,000	15,000	0	15,000	15,000	0							0	
			Wastewater Treatment Plant Upgrades	240,000	248,000	160,709	0	248,000	248,000	0	85,000						85,000	WWTP Generator Rehab, Heat Pump Rehab, PLC Upgrades, Conduit Rehab
			949 Yachats River Rd Property Improvements								58,000						58,000	
			West 3rd Street Engineering Wastewater								10,000						10,000	
2NDSTREE			Pontiac Lift Station Pump 3 Upgrade			10,000	9,935	65	65	0								
			WW Roll Up Doors			69,913	69,913											
PWDESNST			PW Design Standards			240	240											
			Wastewater Unplanned / Contingency		25,000			0	0	0	25,000	25,000	25,000	25,000	25,000	25,000	150,000	
			TOTAL WWTP	**6,621,000**	**1,099,000**	**1,099,000**	**461,292**	**674,999**	**646,064**	**50,000**	**819,000**	**754,000**	**761,000**	**328,000**	**265,000**	**3,482,000**	**6,409,000**	CHECK SUM
			TOTAL ENTERPRISE *BEFORE CAPITALIZED LABOR*	**21,717,000**	**2,153,000**	**2,153,000**	**862,024**	**1,328,267**	**708,433**	**577,058**	**1,779,000**	**2,406,000**	**11,804,000**	**518,000**	**455,000**	**9,995,000**	**26,957,000**	26,957,000
GENERAL FUND			**STREETS**															
			EAST 2nd Street PH 3 - Loma to River Rd 560'															
			Loma to River Rd General Engineering	13,000	20,000	10,000	1,750	8,250		8,250	20,000	-	-	-	-	-	20,000	Year 2 Engineering
E2PHS3ST			Loma to River Rd General Construction	187,000				0		0	180,000		-	-	-	-	180,000	
																	0	
			STREET PROJECTS														0	
GIMLETGT			Gimlet Gates	70,000	35,000	0		0		0		-	-	-	-	-	0	
OCEANVIE			Oceanview Drive	50,000	-			0		0		-	-	-	-	50,000	50,000	Hold pending Road Transfer from LC
			Hwy 101 Curve Delineators**	40,000	35,000	80,000	79,274	726	726	0		-	-	-	-	-	0	Delineator. Agreement with ODOT.
			Street Repairs	100,000	100,000	100,000		100,000	100,000	0	110,000	110,000	110,000	110,000	110,000	110,000	660,000	
			West 3rd Street Engineering - Streets								5,000						5,000	
			West 3rd Street Construction									250,000					250,000	

CITY OF YACHATS 3/6/2025

CAPITAL IMPROVEMENT PROJECTS

					CIP BUDGET		FISCAL 2024-2025		SPEND or CARRY		CIP 5 YEAR PROJECTION							
[redacted]					ADOPTED APPROP	APPROPS AFTER RECLASS	(ACTUAL) SPEND TO DATE	(REMAINING) AVAILABLE TO YEAR END	Estimated Spending Apr-Jun	CARRY FORWARD	' FISCAL CIP YR1	'FISCAL CIP YR2	'FISCAL CIP YR3	'FISCAL CIP YR4	'FISCAL CIP YR5	'FISCAL CIP >5YRS	TOTAL CIP	NOTES
FUND/CODE		MASTERPLAN	DEPARTMENT / DETAIL		2024-2025	date	3/6/2025				2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	>2030	2025<	
			Hwy 101 Phase 2								10,000						10,000	Engineering - underground power, sidewalk, bike lane
			'TOTAL GENERAL STREETS *BEFORE CAPITALIZED LABOR*	460,000	190,000	190,000	81,024	108,976	100,726	8,250	325,000	360,000	110,000	110,000	110,000	160,000	1,175,000	
GENERAL FUND			**STORM DRAINS**															
			Loma to River Rd Storm Drains	40,000				0	0	0	40,000	-	-	-	-	-	40,000	
MARINESDR			Marine/101 Storm Drain	60,000	-			0		0	60,000		-	-	-		60,000	On taking ownership Ocean View/Marine; Locate Utilities
			West 3rd Street Engineering - Storm Drains								7,000						7,000	
			West 3rd Street Storm Drains Construction									100,000					100,000	
			Oceanview Drive Storm Drains					0	0	0	-	-	20,000	-	-	-	20,000	
			'TOTAL STORMS *BEFORE CAPITALIZED LABOR*	100,000	0	0	0	0	0	0	107,000	100,000	20,000	0	0	0	227,000	
GENERAL FUND			**CITY HALL**															
EMRGMNGT			Conex replacement and supplies	11,000	-			0		0	11,000	-	-	-	-	-	11,000	
			Emergency Preparedness	20,000	20,000	20,000		20,000		20,000	20,000	20,000	20,000	20,000	20,000	20,000	120,000	
			501 Gutters and Fascia, Building Repair	20,000	20,000	20,000		20,000	0	20,000		-	-	-	-	-	0	
			Exterior Rehabilitation; ADA Compliant/Code & Safety Review	60,000	60,000	60,000	39,311	20,689	20,689	0		60,000					60,000	
			Interior Security Remodel	90,000	30,000	30,000	28,594	1,406	1,406	0		60,000					60,000	
			Fake Police Car	5,000	5,000	5,000		5,000		5,000							0	
			Masterplan Project Implementations - City Hall								120,000						120,000	
			City Hall Lighting Upgrade	5,609							6,000						6,000	
			Generator Rehousing and Relocation for City Hall								45,000							
			Security Upgrade	10,000	20,000	20,000		20,000		20,000	20,000	-	-	-	-	-	20,000	Security Upgrade/Entry and Counters
			TOTAL *BEFORE CAPITALIZED LABOR*	221,609	155,000	155,000	67,905	87,095	22,095	65,000	222,000	140,000	20,000	20,000	20,000	20,000	397,000	
GENERAL FUND			**PARKS & TRAILS**															
BOARDWLK			Bayside Boardwalk Engineering	125,000	60,000	41,189	41,189	0		0		-	-		-	-	0	Preliminary Engineering in 2021-2. CivilWest - Tim Gross. $6547 in previous fiscal year.
BOARDWLK			Extension of Walkway to State Park	750,000	-			0		0		350,000	400,000		-		750,000	
BOARDWLK			Gateway Overlook and Improvements	450,000	-			0		0	350,000	100,000		-			450,000	
BOARDWLK			Boardwalk Construction	875,000	125,000	0		0		0	500,000	250,000		-	-	-	750,000	Based On CivilWest Estimate
BOARDWLK			Underground Utilities	200,000	-			0		0	200,000		-	-	-	-	200,000	
			O'Neill Landmark Property			153,767	153,767											
			Masterplan Project Implementations - Parks and Trails								100,000						100,000	
			TOTAL *BEFORE CAPITALIZED LABOR*	2,400,000	185,000	194,957	194,957	0	0	0	1,150,000	700,000	400,000	0	0	0	2,250,000	
GENERAL FUND			**COMMONS**															
			Gutters and Fascia and Roof Repair	50,000	20,000			0		0	25,000	-	-	-		-	25,000	See CivilWest Review
			Emergency Shelter - Commons	30,000							30,000						30,000	
			M/E/P Updates	25,000	20,000			0		0	-	-	-	-		-	0	Spending was coded as operations but is being changed
			Fire & Safety Updates; Egress, Hardware and Lighting	25,000	20,000			0		0	-	-	-	-		-	0	Missing Fire Exit Lighting, Compliant Egress Pushbars, ADA Compliant Door Hardware. Building Code Updates.
			Security Updates	10,000	5,000	5,000		5,000	5,000	0	-	-	-	-		-	0	Door Access Hardware, Security Video Cameras
COMMSDLT			Sound / Lighting Updates	25,000	20,000	20,000		20,000	20,000	0	-	-	-	-		-	0	Some spending was coded as operations but is being changed
			Generator Rehousing and Relocation - Resiliency Measure	15,000	15,000	15,000		15,000		15,000	15,000	-	-	-		-	15,000	
			Interior Remodel to Accommodate Childcare Facilities / Secure Area	80,000	15,000	15,000		15,000		15,000	-	-	-	-		-	0	
			Park Plan / Civic Plan / Masterplan	-	120,000	120,000	16,000	104,000	84,000	20,000	20,000	-	-	-		-	20,000	Masterplan.
			Masterplan Project Implementations	470,000	-			0		0	50,000	150,000	150,000	150,000		-	500,000	
			Resiliency - Solar Energy	175,000	50,000	0		0		0							0	
			Public Restroom	150,000	-			0		0	25,000	125,000					150,000	
COMMSTNE			Stairs NE Entrance	30,000	25,000	25,000	8,800	16,200	0	16,200	16,200						16,200	
			Commons NE Entrance	105,000	-			0		0	25,000	80,000					105,000	
COMMPAVI"			Pavilion Upgrades	40,000	35,000	125,000	59,452	65,548	65,548	0							0	
			Basketball Hoop Replacement		0	5,000	5,000											
			Commons Storage Improvements	14,500	14,500	6,500		6,500	750	5,750							0	
			TOTAL *BEFORE CAPITALIZED LABOR*	1,244,500	359,500	336,500	89,252	247,248	175,298	71,950	206,200	355,000	150,000	150,000		0	861,200	
GENERAL FUND			**LIBRARY**															
			Website and Branding	10,000	10,000	10,000			10,000	0	-	-		-	-	-	0	
			Evaluate Suitability of Site	35,000	35,000	0					-	-		-	-	-	0	
			Preconstruction and Construction	1,150,000	550,000	585,000	72,312	512,688	512,688	0	850,000	-		-	-	-	850,000	
			Interior Finishing	100,000	-						100,000			-	-	-	100,000	
			Interior Wall Felt	25,000							25,000						25,000	
			Final Landscaping	55,000	-						-	55,000		-	-	-	55,000	
			TOTAL *BEFORE CAPITALIZED LABOR*	1,375,000	595,000	595,000	72,312	512,688	522,688	0	975,000	55,000		0	0	0	1,030,000	
GENERAL FUND			**LLCM**															
LLCMRENO			LLCM Rehabilitation	500,000	100,000	100,000	11,542	88,458	88,458	0	285,000		-	-	-	-	285,000	
			TOTAL *BEFORE CAPITALIZED LABOR*	500,000	100,000	100,000	11,542	88,458	88,458	0	285,000		0	0	0	0	285,000	
			ENTERPRISE FUNDS TOTAL	21,717,000	2,153,000	2,153,000	862,024	1,328,267	708,433	577,058	1,779,000	2,406,000	11,804,000	518,000	455,000	9,995,000	26,957,000	
			GENERAL FUNDS TOTAL	6,201,109	1,584,500	1,571,457	516,991	1,044,466	909,266	145,200	2,751,500	2,666,200	940,000	280,000	280,000	180,000	5,998,200	
			GRAND TOTAL	27,918,109	3,737,500	3,724,457	1,379,015	2,372,733	1,617,699	722,258	4,530,500	5,072,200	12,744,000	798,000	735,000	10,175,000	32,955,200	
						(13,043)												

NOTES:

* $100,000 approved Grant