
City of Dayton, Oregon

CITY OF DAYTON, OREGON**CITY OFFICIALS**

JUNE 30, 2024

<u>Name and Address</u>	<u>Position</u>	<u>Term Expires</u>
Annette Frank	Mayor	December 31, 2026
Luke Wildhaber	Council President	December 31, 2026
Kitty Mackin	Council Member	December 31, 2024
Jim Maguire	Council Member	December 31, 2026
Drew Hildebrandt	Council Member	December 31, 2024
Rosalba Sandoval-Perez	Council Member	December 31, 2026
Scott Hover	Council Member	December 31, 2024

Council members receive mail at the City's address

Appointed Officials

Cynthia Park
Interim City Manager
P.O. Box 339
Dayton, Oregon 97114

Heather Martin/Paul Elsner, Beery, Elsner & Hammond, LLP
City Attorneys *

Brooks Bateman, City of Newberg
Building Official *

Denny Muchmore, Westech Engineering, Inc
City Engineer *

Curt Fisher, Keil Jenkins, Mid-Willamette Valley Council of Governments
City Planner *

*Contracted Services

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council
City of Dayton
Dayton, Oregon

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2024, and the respective changes in financial position-modified cash basis and, where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in the summary of significant accounting policies in the notes to the financial statements.

Basis for Opinions

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

Emphasis of Matter — Basis of Accounting

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in the notes to the financial statements, and for 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 Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. Management's discussion and analysis and the supplementary information, which are the responsibility of management, are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The supplementary information as listed in the table of contents is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. Such 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.

Management's discussion and analysis has 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.

Other Reporting Required by Legal and Regulatory Requirements

Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated May 29, 2025, on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



Devan W. Esch, Principal
For REDW LLC
Salem, Oregon
May 29, 2025

City of Dayton, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2024

The management of the City of Dayton, Oregon presents this narrative overview and analysis to facilitate both a short and a long-term analysis of the financial activities of the City for the fiscal year ended June 30, 2024. Management's Discussion and Analysis (MD&A) is based on currently known facts, decisions, and conditions that existed as of the date of the independent auditor's report. Please read it in conjunction with the City's financial statements which follow this section.

Financial Highlights

	June 30,		
	2024	2023	Change
Net Position	\$ 1,660,385	\$ 4,712,662	\$ (3,052,277)
Change in Net Position	(3,052,277)	(438,051)	(2,614,226)
Governmental Net Position	1,007,105	1,488,722	(481,617)
Proprietary Net Position	653,280	3,223,940	(2,570,660)
Change in Governmental Net Position	(481,617)	(343,635)	(137,982)
Change in Proprietary Net Position	(2,570,660)	(94,416)	(2,476,244)

Overview of the Financial Statements

The following discussion and analysis is intended to serve as an introduction to the City's basic financial statements and other information. The City's basic financial statements are comprised of three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements
4. Other information

Government-wide financial statements - The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. These statements include:

The Statement of Net Position (Modified Cash Basis). The *statement of net position* presents information on all of the assets and liabilities of the City as of the date on the statement. Net position is what remains after the recognized liabilities have been paid off or otherwise satisfied. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities (Modified Cash Basis). The *statement of activities* presents information showing how the net position of the City changed over the most recent fiscal year by tracking revenues, expenses and other transactions that increase or decrease net position in total.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include the following:

- General Government
- Public Safety
- Public Works
- Community Development

The business-type activities of the City include the following:

- Water Operations
- Sewer Operations

The government-wide financial statements can be found on pages 10 through 11 of this report.

Fund financial statements – The fund financial statements provide more detailed information about the City’s funds, focusing on its most significant or “major” funds – not the City as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds - Governmental funds are used to account for activities where the emphasis is placed on available financial resources, rather than upon net income determination. Therefore, unlike the government-wide financial statements, governmental fund financial statements focus on the acquisition and use of current spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial decisions. By doing so, readers may better understand the long-term impact of the government’s near-term financial decisions.

The City maintains ten individual budgetary governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances for those funds that are considered significant (major) to the City taken as a whole. These financial statements report five major funds, the General, Transient Lodging Tax, Local Option Tax, American Rescue Act funds, and Street Capital Projects. The State Revenue Sharing Fund has been combined with the General Fund for presentation purposes. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided as supplementary information in the form of combining statements.

The governmental fund financial statements can be found on pages 13 through 16 in the basic financial statements.

The City adopts an annual appropriated budget for all governmental funds. To demonstrate compliance with the budget, budgetary comparison statements have been provided for the General Fund, State Revenue Sharing Fund, Transient Lodging Tax Fund, Local Option Tax Fund, American Rescue Plan Act Fund, Street Capital Projects Fund, Street Fund, Building Reserve Fund, Park Capital Projects Fund, and Equipment Replacement Reserve Fund.

Proprietary funds - Proprietary funds are used to account for activities where the emphasis is placed on net income determination. All of the City's proprietary funds are enterprise funds. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements.

The City uses proprietary funds to account for its water and sewer activity.

The proprietary funds for Water Operations and Sewer Operations are considered to be major funds of the City and are reported separately in the proprietary financial statements in the basic financial statements.

The City adopts an annual appropriated budget for each Proprietary fund. To demonstrate compliance with the budget, budgetary comparison statements have been provided for the proprietary funds as other supplementary information.

The proprietary financial statements can be found on pages 14 through 16 in the basic financial statements.

Notes to the basic financial statements - The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. They are an integral part of the basic financial statements and should be read in conjunction with them.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain *supplementary information*, including the budgetary comparison schedules, and the combining nonmajor fund financial statements.

Government-Wide Financial Analysis

Statement of Net Position (Modified Cash Basis)

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$1,660,385 at the close of fiscal year 2024.

A portion of the City's net position, \$934,521 or approximately 56%, represents resources that are subject to external restrictions on how they may be used. The remaining balance is net position - unrestricted totaling \$725,864, or approximately 44%.

	2024			2023		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 1,006,275	\$ 653,280	\$ 1,659,555	\$ 1,489,419	\$ 3,223,940	\$ 4,713,359
Other liabilities	(830)	-	(830)	697	-	697
Net position:						
Restricted	529,522	470,396	999,918	697,274	2,074,198	2,771,472
Unrestricted	477,583	182,884	660,467	791,448	1,149,742	1,941,190
Total Net Position	\$ 1,007,105	\$ 653,280	\$ 1,660,385	\$ 1,488,722	\$ 3,223,940	\$ 4,712,662

Statement of Activities (Modified Cash Basis)

The City's net position decreased \$3,052,277 during fiscal 2023-2024. This decrease is explained in the government and business-type activities as follows:

Governmental activities - The City's net position decreased by \$481,635 from governmental activities due to a greater increase in total expenses compared to the increase in total revenues.

	2024			2023		
	Governmental Activities		Business-type Activities	Total	Governmental Activities	
						Total
Revenues						
Program Revenues						
Fees, fines and charges for services	\$ 116,482	\$ 1,745,658	\$ 1,862,140	\$ 236,752	\$ 1,606,059	\$ 1,842,811
Operating grants and contributions	228,020	-	228,020	530,244	-	530,244
Capital grants and contributions	297,783	-	297,783	657,262	87,242	744,504
General Revenues						
Property taxes	551,887	-	551,887	527,302	-	527,302
Transient lodging taxes	86,210	-	86,210	70,364	-	70,364
Franchise fees	119,424	-	119,424	112,365	-	112,365
Intergovernmental	87,498	23,248	110,746	91,010	23,249	114,259
Investment earnings	81,865	65,838	147,703	55,152	44,025	99,177
Miscellaneous	12,475	65,306	77,781	5,376	24,153	29,529
Total Revenues	1,581,644	1,900,050	3,481,694	2,285,827	1,784,728	4,070,555
Expenses						
General government	329,745	-	329,745	323,277	-	323,277
Public safety	338,410	-	338,410	318,261	-	318,261
Public works	1,069,996	-	1,069,996	1,370,293	-	1,370,293
Community development	361,910	-	361,910	203,641	-	203,641
Water	-	1,696,772	1,696,772	-	1,106,835	1,106,835
Sewer	-	5,868,475	5,868,475	-	1,186,299	1,186,299
Total Expenses	2,100,061	7,565,247	9,665,308	2,215,472	2,293,134	4,508,606
Loan proceeds	-	3,131,336	3,131,336	-	-	-
Transfers	36,800	(36,800)	-	(413,990)	413,990	-
Change in Net Position	(481,617)	(2,570,661)	(3,052,278)	(343,635)	(94,416)	(438,051)
Net Position, beginning of year	1,488,722	3,223,941	4,712,663	1,832,357	3,318,356	5,150,713
Net Position, end of year	\$ 1,007,105	\$ 653,280	\$ 1,660,385	\$ 1,488,722	\$ 3,223,940	\$ 4,712,662

Major Governmental Funds:

General. The General fund (reported as the combination of the General fund and the State Revenue Sharing fund) is the primary operating fund of the City. Fund balance was \$175,735 on June 30, 2024. The fund balance decreased by \$197,416 during the year mainly due to increased public works expenses.

As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Fund balance represents 20% of total General fund expenditures.

Transient Lodging Tax. The Transient Lodging Tax Fund accounts for revenues from the transient lodging tax. Expenditures are related to tourism promotion, tourism-related facilities, and related administrative costs. The fund balance decreased by \$46,496 during the year.

Street. The Street Fund accounts for revenues and expenditures related to general street maintenance and improvements. The fund balance increased by \$12,694 as a result of revenues exceeding current year expenditures.

Building Reserve. The Building Reserve Fund contains amounts committed to the construction of City facilities. The fund balance decreased by \$93,378 as a result of significant capital outlay in the current year.

Street Capital Projects. The Street Capital Projects fund accounts for revenues and expenditures related to street improvements. The fund balance increased by \$4,237 as a result revenue being higher than budget and expenditures being less than budget.

Business-type activities - The City's net position decreased by \$2,570,642 from business-type activities. This decrease was due to a decrease in revenues and an increase in expenditures.

Major Proprietary Funds:

Water Operations. Fund net position decreased by \$481,486 during the year primarily due to current year capital outlay of about \$675,000.

Sewer Operations. Fund net position decreased by \$2,218,566 during the year primarily due to current year capital outlay of about \$5,300,000. This was partially offset by loan proceeds of about \$3.1 million.

Debt Service. Fund net position increased by \$129,393 from the prior year.

Capital Assets and Debt Administration

Capital Assets

The City does not maintain historical cost and depreciation records for capital assets including infrastructure. Therefore, no information for capital assets is presented in the financial statements.

Debt

At the end of the current fiscal year, the City had a total of \$7,211,558 in debt outstanding.

The City's debt is for business-type activities and includes \$1,945,905 in outstanding water system improvement loans from Oregon Business Development Department, \$2,134,317 in an outstanding USDA loan, and \$3,131,336 in new loan proceeds from the Clean Water State Revolving Fund loan program. The loans are paid from net revenues of the water and sewer systems.

State statutes limit the amount of general obligation debt a government entity may issue up to three percent of its total assessed valuation. The City currently has no general obligation debt.

	<u>Business-type Activities</u>	
	<u>2024</u>	<u>2023</u>
OBDD loans	\$ 1,945,905	\$ 2,086,008
USDA loan	2,134,317	2,180,539
CWSRF loan	3,131,336	-
	<u>\$ 7,211,558</u>	<u>\$ 4,266,547</u>

Additional information on the City's debt can be found in the notes to the basic financial statements.

Current Year General Fund Budgetary Highlights

There was one supplemental budget adopted for the General fund during the current fiscal year to ensure adequate funds are available for Administration, Parks, Building, and planning to pay for increased expenses; and certain adjustments are necessary to ensure adequate funds are available within the Sewer fund and the State Revenue Sharing Fund.

Economic Factors and Next Year's Budgets and Rates

During the preparation of the budget for the ensuing fiscal year, the long-term impacts of the local economy were examined in conjunction with business decisions made by the City. The following are the major assumptions used in developing the FY 2025 budget:

- The budget includes a 3% cost of living adjustment.
- The City's tax rate is estimated to be 100% of the City's permanent levy rate of \$1.7057 for general operations and \$1.85 for the local option tax levy.
- Assessed values, the basis of property tax revenues, will grow to 3% due to market conditions.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report should be addressed to Jeremy Caudle, City Manager at P.O. Box 339, Dayton, Oregon 97114.

BASIC FINANCIAL STATEMENTS

CITY OF DAYTON, OREGON**STATEMENT OF NET POSITION (MODIFIED CASH BASIS)**

JUNE 30, 2024

	<i>Governmental Activities</i>	<i>Business-type Activities</i>	<i>Totals</i>
ASSETS			
Cash and cash equivalents	\$ 1,006,275	\$ 653,280	\$ 1,659,555
LIABILITIES			
Payroll withholdings	(830)	-	(830)
NET POSITION			
Restricted for:			
Debt service	-	105,873	105,873
Public safety	41,492	-	41,492
Streets	313,673	-	313,673
Community development	174,357	-	174,357
Capital acquisitions	-	362,698	362,698
Customer deposits	-	1,825	1,825
Unrestricted	477,583	182,884	660,467
<i>Total Net Position</i>	<u>\$ 1,007,105</u>	<u>\$ 653,280</u>	<u>\$ 1,660,385</u>

The accompanying notes are an integral part of the financial statements.

CITY OF DAYTON, OREGON

STATEMENT OF ACTIVITIES (MODIFIED CASH BASIS)

YEAR ENDED JUNE 30, 2024

FUNCTIONS/PROGRAMS	Program Revenues					Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Governmental activities:								
General government	\$ 329,745	\$ 2,250	\$ 3,579	\$ -	\$ (323,916)	\$ -	\$ (323,916)	
Public safety	338,410	32,845	-	-	(305,565)	-	(305,565)	
Public works	1,069,996	51,169	210,883	297,783	(510,161)	-	(510,161)	
Community development	361,910	30,218	13,558	-	(318,134)	-	(318,134)	
<i>Total Governmental activities</i>	<i>2,100,061</i>	<i>116,482</i>	<i>228,020</i>	<i>297,783</i>	<i>(1,457,776)</i>	<i>-</i>	<i>(1,457,776)</i>	
Business-type activities:								
Water	1,696,771	1,166,856	-	-	-	(529,915)	(529,915)	
Sewer	5,868,475	578,802	-	-	-	(5,289,673)	(5,289,673)	
<i>Total Business-type activities</i>	<i>7,565,246</i>	<i>1,745,658</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>(5,819,588)</i>	<i>(5,819,588)</i>	
<i>Total Activities</i>	<i>\$ 9,665,307</i>	<i>\$ 1,862,140</i>	<i>\$ 228,020</i>	<i>\$ 297,783</i>	<i>(1,457,776)</i>	<i>(5,819,588)</i>	<i>(7,277,364)</i>	
General Revenues:								
Property taxes					551,887	-	551,887	
Transient lodging taxes					86,210	-	86,210	
Franchise taxes					119,424	-	119,424	
Intergovernmental					87,498	23,248	110,746	
Investment earnings					81,865	65,838	147,703	
Miscellaneous					12,475	65,306	77,781	
<i>Total General Revenues</i>					<i>939,359</i>	<i>154,392</i>	<i>1,093,751</i>	
Proceeds from issuance of debt								
Transfers					-	3,131,336	3,131,336	
					36,800	(36,800)	-	
Change in net position					(481,617)	(2,570,660)	(3,052,277)	
Net Position - beginning of year					1,488,722	3,223,940	4,712,662	
Net Position - end of year					\$ 1,007,105	\$ 653,280	\$ 1,660,385	

The accompanying notes are an integral part of the financial statements.

CITY OF DAYTON, OREGON

BALANCE SHEET – GOVERNMENTAL FUNDS (MODIFIED CASH BASIS)

JUNE 30, 2024

	<i>Special Revenue</i>			<i>Capital Projects</i>			<i>Other Governmental Funds</i>	<i>Total</i>
	<i>Transient Lodging Tax</i>		<i>Street</i>	<i>Building Reserve</i>	<i>Street Capital Projects</i>			
	<i>General</i>	<i>Street</i>						
ASSETS								
Cash and cash equivalents	\$ 174,923	\$ 271,955	\$ 198,276	\$ 120,542	\$ 115,397	\$ 125,182	\$ 1,006,275	
LIABILITIES AND FUND BALANCE								
<i>Liabilities</i>								
Payroll withholdings	\$ (830)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (830)
<i>Fund Balance</i>								
Restricted for:								
Public safety	-	-	-	-	-	41,492	41,492	
Streets	-	-	198,276	-	115,397	-	313,673	
Community development	-	127,568	-	-	-	46,789	174,357	
Committed to:								
Capital acquisitions	-	-	-	120,542	-	36,943	157,485	
Community development	-	144,387	-	-	-	-	144,387	
Unassigned	175,753	-	-	-	-	(42)	175,711	
<i>Total Fund Balance</i>	175,753	271,955	198,276	120,542	115,397	125,182	1,007,105	
<i>Total Liabilities and Fund Balance</i>	\$ 174,923	\$ 271,955	\$ 198,276	\$ 120,542	\$ 115,397	\$ 125,182	\$ 1,006,275	

The accompanying notes are an integral part of the financial statements.

CITY OF DAYTON, OREGON

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –

GOVERNMENTAL FUNDS (MODIFIED CASH BASIS)

YEAR ENDED JUNE 30, 2024

	<i>Special Revenue</i>			<i>Capital Projects</i>			<i>Other Governmental Funds</i>	<i>Total</i>
	<i>General Fund</i>	<i>Transient Lodging Tax</i>	<i>Street</i>	<i>Building Reserve</i>	<i>Street Capital Projects</i>			
REVENUES								
Taxes and assessments	\$ 270,424	\$ 86,210	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 356,634
Licenses and permits	172,693	-	-	-	-	-	281,462	454,155
Intergovernmental	115,865	-	210,883	-	297,783	-	-	624,531
Fines and forfeitures	223	-	-	-	-	-	21,585	21,808
Miscellaneous	67,839	1,867	6,721	7,744	12,428	-	27,915	124,514
<i>Total Revenues</i>	<i>627,044</i>	<i>88,077</i>	<i>217,604</i>	<i>7,744</i>	<i>310,211</i>	<i>330,962</i>		<i>1,581,642</i>
EXPENDITURES								
Current								
General government	282,865	-	-	-	-	-	-	282,865
Public works	245,500	-	132,982	-	-	-	337,171	715,653
Community development	320,077	110,573	-	-	-	-	-	430,650
Capital acquisitions	-	-	1,929	121,122	355,974	-	191,867	670,892
<i>Total Expenditures</i>	<i>848,442</i>	<i>110,573</i>	<i>134,911</i>	<i>121,122</i>	<i>355,974</i>	<i>529,038</i>		<i>2,100,059</i>
REVENUES OVER (UNDER) EXPENDITURES	(221,398)	(22,496)	82,693	(113,378)	(45,763)	(198,076)		(518,417)
OTHER FINANCING SOURCES (USES)								
Transfers in	24,000	-	-	20,000	50,000	40,000	134,000	
Transfers out	-	(24,000)	(70,000)	-	-	(3,200)	(97,200)	
<i>Total Other Financing Sources (Uses)</i>	<i>24,000</i>	<i>(24,000)</i>	<i>(70,000)</i>	<i>20,000</i>	<i>50,000</i>	<i>36,800</i>		<i>36,800</i>
NET CHANGE IN FUND BALANCE	(197,398)	(46,496)	12,693	(93,378)	4,237	(161,276)		(481,617)
FUND BALANCE, beginning of year	373,151	318,451	185,582	213,920	111,160	286,458		1,488,722
FUND BALANCE, end of year	\$ 175,753	\$ 271,955	\$ 198,275	\$ 120,542	\$ 115,397	\$ 125,182		\$ 1,007,105

The accompanying notes are an integral part of the financial statements.

CITY OF DAYTON, OREGON**STATEMENT OF FUND NET POSITION – PROPRIETARY FUNDS (MODIFIED CASH BASIS)**

JUNE 30, 2024

	<i>Water Operations</i>	<i>Sewer Operations</i>	<i>Debt Service</i>	<i>Total</i>
ASSETS				
Current assets				
Cash and cash equivalents	\$ 1,112,456	\$ (941,345)	\$ 482,169	\$ 653,280
FUND NET POSITION				
Restricted for:				
Customer deposits	\$ 1,186	\$ 639	\$ -	\$ 1,825
Debt service	-	-	105,873	105,873
Capital acquisitions	362,698	-	-	362,698
Unrestricted	748,572	(941,984)	376,296	182,884
<i>Total Fund Net Position</i>	<i>\$ 1,112,456</i>	<i>\$ (941,345)</i>	<i>\$ 482,169</i>	<i>\$ 653,280</i>

The accompanying notes are an integral part of the financial statements.

CITY OF DAYTON, OREGON

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION –
PROPRIETARY FUNDS (MODIFIED CASH BASIS)
YEAR ENDED JUNE 30, 2024**

	<i>Water Operations</i>	<i>Sewer Operations</i>	<i>Debt Service</i>	<i>Total</i>
<i>OPERATING REVENUES</i>				
Charges for services	\$ 1,166,854	\$ 578,802	\$ -	\$ 1,745,656
Miscellaneous	24,900	40,408	-	65,308
<i>Total Operating Revenues</i>	1,191,754	619,210	-	1,810,964
<i>OPERATING EXPENSES</i>				
Personal services	374,573	270,123	-	644,696
Materials and services	402,865	314,925	-	717,790
<i>Total Operating Expenses</i>	777,438	585,048	-	1,362,486
<i>OPERATING INCOME</i>	414,316	34,162	-	448,478
<i>NONOPERATING REVENUES/EXPENSES</i>				
Intergovernmental	-	-	23,249	23,249
Issuance of debt	-	3,131,336	-	3,131,336
Capital acquisitions	(676,120)	(5,283,428)	-	(5,959,548)
Debt service				
Principal	-	-	(182,132)	(182,132)
Interest	-	-	(61,080)	(61,080)
Interest revenue	30,318	21,544	13,976	65,838
<i>Total Nonoperating Revenues/Expenses</i>	(645,802)	(2,130,548)	(205,987)	(2,982,337)
<i>NET INCOME BEFORE TRANSFERS AND CONTRIBUTIONS</i>	(231,486)	(2,096,386)	(205,987)	(2,533,859)
Transfers in	-	43,200	335,380	378,580
Transfers out	(250,000)	(165,380)	-	(415,380)
<i>CHANGE IN FUND NET POSITION</i>	(481,486)	(2,218,566)	129,393	(2,570,659)
<i>FUND NET POSITION, beginning of year</i>	1,593,942	1,277,221	352,776	3,223,939
<i>FUND NET POSITION (Deficit), end of year</i>	<u>\$ 1,112,456</u>	<u>\$ (941,345)</u>	<u>\$ 482,169</u>	<u>\$ 653,280</u>

The accompanying notes are an integral part of the financial statements.

CITY OF DAYTON, OREGON

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (MODIFIED CASH BASIS)

YEAR ENDED JUNE 30, 2024

	<i>Water Operations</i>	<i>Sewer Operations</i>	<i>Debt Service</i>	<i>Total</i>
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 1,191,754	\$ 619,210	\$ -	\$ 1,810,964
Cash paid to employees and others for salaries and benefits	(374,573)	(270,123)	-	(644,696)
Cash paid to suppliers and others	(402,865)	(314,925)	-	(717,790)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>414,316</u>	<u>34,162</u>	<u>-</u>	<u>448,478</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers in	-	43,200	335,380	378,580
Transfers out	(250,000)	(165,380)	-	(415,380)
<i>Net Cash Provided by (Used for) Non-Capital Financing Activities</i>	<u>(250,000)</u>	<u>(122,180)</u>	<u>335,380</u>	<u>(36,800)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Intergovernmental revenue	-	-	23,249	23,249
Purchase of capital assets	(676,120)	(5,283,428)	-	(5,959,548)
Proceeds from issuance of debt	-	3,131,336	-	3,131,336
Interest paid on debt	-	-	(61,080)	(61,080)
Principal paid on debt	-	-	(182,132)	(182,132)
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(676,120)</u>	<u>(2,152,092)</u>	<u>(219,963)</u>	<u>(3,048,175)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	<u>30,318</u>	<u>21,544</u>	<u>13,976</u>	<u>65,838</u>
<i>Increase (Decrease) in Cash and Cash Equivalents</i>	<u>(481,486)</u>	<u>(2,218,566)</u>	<u>129,393</u>	<u>(2,570,659)</u>
CASH AND CASH EQUIVALENTS, Beginning of year	<u>1,593,942</u>	<u>1,277,221</u>	<u>352,776</u>	<u>3,223,939</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 1,112,456</u>	<u>\$ (941,345)</u>	<u>\$ 482,169</u>	<u>\$ 653,280</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income	\$ 414,316	\$ 34,162	\$ -	\$ 448,478
<i>Net Cash Provided by Operating Activities</i>	<u>\$ 414,316</u>	<u>\$ 34,162</u>	<u>\$ -</u>	<u>\$ 448,478</u>

The accompanying notes are an integral part of the financial statements.

CITY OF DAYTON, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Dayton, Oregon was incorporated in 1880 under the provisions of the Oregon Statutes. The City is governed by a city council and mayor who are responsible for rulemaking, budget preparation and enforcement, expenditure approval, and hiring of the City management personnel. The mayor and six council members are elected by vote of the general public.

There are certain governmental agencies and various service districts which provide services within the City. These agencies have independently elected governing boards and the City is not financially accountable for these organizations. Therefore, financial information for these agencies is not included in the accompanying basic financial statements.

As discussed further under *Measurement Focus and Basis of Accounting*, these financial statements are presented on a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) established by the Governmental Accounting Standards Board (GASB). These modified cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the modified cash basis of accounting.

Basic Financial Statements

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Government-wide financial statements display information about the reporting government as a whole. For the most part, the effect of interfund activity has been removed from these statements. These statements focus on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the Statement of Net Position (Modified Cash Basis) and the Statement of Activities (Modified Cash Basis).

The Statement of Net Position (Modified Cash Basis) presents all the recorded assets and liabilities of the City. Net position, representing assets less liabilities, is shown in two components: restricted for special purposes, amounts which must be spent in accordance with legal restrictions; and unrestricted, the amount available for ongoing City activities.

The Statement of Activities (Modified Cash Basis) demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund financial statements display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental, proprietary, or fiduciary. Currently, the City has governmental (general, special revenue and capital projects) and proprietary type (enterprise) funds. Major individual governmental funds, and major individual proprietary funds are reported

CITY OF DAYTON, OREGON**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2024**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***Basic Financial Statements (Continued)***

as separate columns in the fund financial statements. Nonmajor funds are consolidated into a single column within each fund type in the financial section of the basic financial statements and are detailed in the supplementary information.

Basis of Presentation

The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

Government accounting standards set forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the government and proprietary combined) for the determination of major funds.

The City reports the following major governmental funds:

General Fund

This fund accounts for the financial operations of the City not accounted for in any other fund. Principal sources of revenues are property taxes, licenses and permits, franchise fees and State shared revenues. Primary expenditures are for general administration.

State Revenue Sharing Fund

This fund accounts for state fund resources and expenditures are for general operations. This fund is included with the General Fund for reporting purposes.

Transient Lodging Tax Fund

This fund accounts for transient lodging taxes received that will be spent on tourism promotion, tourism-related facilities, and related administrative costs, with some restrictions.

Street Fund

This fund accounts for street maintenance and improvements. The primary source of revenues is from motor vehicle fuel taxes and expenditures are for street maintenance and improvements.

Building Reserve Fund

This fund accounts for money set aside for building improvements. The principal revenues are from transfers in, and primary expenditures are for building improvements.

Street Capital Projects Fund

This fund accounts for money set aside for street improvements. The principal revenues are from transfers in and the primary expenditures are for street improvements.

CITY OF DAYTON, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2024

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

The City reports the following nonmajor governmental funds:

Local Option Tax Fund

This fund accounts for the property tax revenue received from a special levy approved by the voters. The money is used primarily to pay for police services.

American Rescue Plan Act Fund

This fund accounts for revenues received through the American Rescue Plan Act of 2021. The money is used to respond to the COVID-19 pandemic and its negative economic impacts.

Park Capital Projects Fund

This fund accounts for money set aside for park improvements. The principal revenues are transfers from the General Fund and primary expenditures are for park projects.

Equipment Replacement Reserve Fund

This fund accounts for money set aside for equipment purchases. The principal revenues are from transfers from the General Fund and primary expenditures are for equipment purchases.

The City reports the following proprietary operations as major. They are used to account for the acquisition, operation, and maintenance of the sewer and water systems. These funds are entirely or predominantly self-supported through user charges to customers.

Water Operations

This fund accounts for the operations, maintenance, capital construction projects and payments of principal and interest on loans for the water system, which are funded through utility fees and debt proceeds.

Sewer Operations

This fund accounts for the operations, maintenance, capital construction projects and payments of principal and interest on loans for the sewer system, which are funded through utility fees and debt proceeds.

Debt Service Fund

This fund accounts for the accumulation of resources and payment of principal and interest on loans. Interest earnings and transfers from other funds are the primary source of revenues.

CITY OF DAYTON, OREGON**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2024**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***Fund Balance***

In governmental funds, the City's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories, prepaids and deposits, and assets held for resale.

Fund balance is reported as restricted when the constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Fund balance is reported as committed when the City Council takes formal action that places specific constraints on how the resources may be used. The City Council can modify or rescind the commitment at any time through taking a similar formal action.

Resources that are constrained by the City's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent is expressed when the City Council approves which resources should be "reserved" during the adoption of the annual budget. The City's City Manager uses that information to determine whether those resources should be classified as assigned or unassigned for presentation in the City's Annual Financial Report.

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

When expenditures are paid for purposes in which both net position - restricted and net position - unrestricted are available, the City deems net position - restricted to be spent first.

Definitions of Governmental Fund Types

The General Fund is used to account for all financial resources not accounted for in another fund.

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term "proceeds of specific revenues sources" means that the revenue sources for the fund must be from restricted or committed sources, specifically that a substantial portion of the revenue must be from these sources and be expended in accordance with those requirements. Budgetary Special Revenue Funds whose primary source of funding is transfers from the General Fund must be reported as part of the General Fund. Therefore, in the Governmental Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances, the State Revenue Sharing Fund has been combined with the General Fund.

Capital Projects Funds are utilized to account for financial resources to be used for the acquisition or construction of capital equipment and facilities.

CITY OF DAYTON, OREGON**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2024**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)*Measurement Focus and Basis of Accounting*

Measurement focus is a term used to describe what transactions or events are recorded within the various financial statements. Basis of accounting refers to when and how transactions or events are recorded, regardless of the measurement focus applied.

In the government-wide Statement of Net Position (Modified Cash Basis) and Statement of Activities (Modified Cash Basis), both governmental and business-type activities are presented using the economic resource measurement focus, within the limitations of the modified cash basis of accounting, as defined below.

In the fund financial statements, the current financial resources measurement focus or the economic resources measurement focus is applied to the modified cash basis of accounting, is used as appropriate:

- a. All governmental funds utilize a current financial resources measurement focus within the limitations of the modified cash basis of accounting. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary funds utilize an economic resource measurement focus within the limitations of the modified cash basis of accounting. The accounting objectives of this measurement focus are the determination of operating income, change in net position (or cost recovery), net financial position, and cash flows. All assets, deferred outflows, liabilities, and deferred inflows (whether current or noncurrent or financial or nonfinancial) associated with their activities are generally reported within the limitations of the modified cash basis of accounting.

The financial statements are presented on a modified cash basis of accounting, which is a basis of accounting other than GAAP as established by the GASB. This basis of accounting involves modifications to the cash basis of accounting to report in the statements of net position or balance sheets cash transactions or events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. Such reported balances include:

1. Interfund receivables and payables that are temporary borrowing and result from transactions involving cash or cash equivalents are recognized.
2. Assets that normally convert to cash or cash equivalents (e.g., certificates of deposit, external cash pools, and marketable investments) that arise from transactions and events involving cash or cash equivalents are recognized.
3. Liabilities for cash (or cash equivalents) held on behalf of others or held in escrow are recognized.

The modified cash basis of accounting differs from GAAP primarily because certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected and other accrued revenue and receivables) and certain liabilities and their related expenses or expenditures (such as accounts payable and expenses for goods and services received but not yet paid and other accrued expenses and liabilities) are not recorded in these financial statements. In addition, other economic assets, deferred outflows, liabilities, and deferred inflows that do not arise from a cash transaction or event are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value. Additionally, long-term liabilities such as debt are only reported in the notes to the financial statements.

CITY OF DAYTON, OREGON**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2024**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***Measurement Focus and Basis of Accounting (Continued)***

If the City utilized the basis of accounting recognized as generally accepted in the United States of America, the fund financial statements for the governmental funds would use the modified accrual basis of accounting, and the fund financial statements for the proprietary funds would use the accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

The City's policy, although not in accordance with accounting principles generally accepted in the United States of America, is acceptable under Oregon Law (ORS 294.333), which leaves the selection of the method of accounting to the discretion of the municipal corporation.

Proprietary funds distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses result from providing services to customers in connection with ongoing utility operations. The principal operating revenues are charges to customers for service. Operating expenses include payroll and related costs, and materials and supplies. All revenues not considered operating are reported as nonoperating.

Cash and Cash Equivalents

The City maintains cash and cash equivalents in a common pool that is available for use by all funds. Each fund type's portion of this pool is displayed in the financial statements as cash and cash equivalents. The City considers cash on hand, demand deposits and savings accounts, and short-term investments with an original maturity of three months or less from the date of acquisition to be cash and cash equivalents.

Oregon Revised Statutes authorize the City to invest in certificates of deposit, savings accounts, bank repurchase agreements, bankers' acceptances, general obligations of U.S. Government and its agencies, certain bonded obligations of Oregon municipalities and the State Treasurer's Local Government Investment Pool, among others.

Investments are stated at cost, which approximates fair value.

Property Taxes

Property taxes are levied by the County Assessor and collected by the County Tax Collector. The taxes are levied and become a lien as of July 1. They may be paid in three installments payable in equal payments due November 15, February 15, and May 15. The City's property tax collection records show that most of the property taxes due are collected during the year of levy and delinquent taxes are collected in the next few years.

Capital Assets

The City does not maintain historical cost or depreciation records for capital assets. Therefore, capital assets are not reported in the notes to the financial statements.

Long-Term Debt

Long-term debt is presented only in the notes to the financial statements. Payments of principal and interest are recorded as expenditures / expenses when paid.

CITY OF DAYTON, OREGON**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2024**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)*Accrued Compensated Absences*

Accumulated unpaid vacation and comp time pay is not accrued. Earned but unpaid sick pay is recorded as an expenditure when paid. The amount payable for accumulated vacation and comp time at June 30, 2024, was \$26,055.

Budgets and Budgetary Accounting

The City adopts the budget on an object basis (personnel services, materials and services, capital outlay, debt service), for all funds except the General fund, where the budget is adopted on a departmental basis. Therefore, cash expenditures of a fund may not legally exceed that object's appropriations for cash expenditures. The City Council may amend the budget to expend unforeseen revenues by supplemental appropriations. Appropriations lapse at year-end and may not be carried over. The City does not use encumbrance accounting.

Use of Estimates

The preparation of basic financial statements, in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and reported amounts of revenues and expenses/expenditures during the year ended June 30, 2024. Actual results may differ from such estimates.

CASH AND CASH EQUIVALENTS***Cash***

Cash on hand	\$ 350
Deposits with financial institutions	204,594

Investments

Local Government Investment Pool	1,454,611
	<hr/>
	\$ 1,659,555
	<hr/>

Deposits

At year end, the book balance of the City's bank deposits (checking account) was \$204,594 and the bank balance was \$332,532. The difference is due to transactions in process. Bank deposits are secured to legal limits by federal deposit insurance. All deposits not covered by FDIC insurance are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon.

CITY OF DAYTON, OREGON**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2024**

CASH AND CASH EQUIVALENTS (Continued)*Custodial Credit Risk - Deposits*

This is the risk that in the event of a bank failure, the City's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the City's deposits with financial institutions for up to \$250,000 for the aggregate of all demand deposits and the aggregate of all time deposit and savings accounts at each institution. Deposits in excess of FDIC coverage are with institutions participating in the Oregon Public Funds Collateralization Program (PFCP). The PFCP is a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. Barring any exceptions, a 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 their quarter-end public fund deposits if they are adequately capitalized or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities. As of June 30, 2024, \$82,532 of the City's bank balances was covered by the PFCP.

Custodial Risk – Local Government Investment Pool

For the LGIP, this is the risk that, in the event of a failure of the counterparty, the City will not be able to recover the value of its investments or collateralized securities that are in the possession of an outside party. The City's investment policy limits the types of investments that may be held and does not allow securities to be held by the counterparty.

The LGIP is administered by the Oregon State Treasury with the advice of other state agencies and is not registered with the U.S. Securities and Exchange Commission. The LGIP 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, which has established diversification percentages and specifies the types and maturities of the investments. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP. These investments within the LGIP must be invested and managed as a prudent investor would, exercising reasonable care, skill, and caution. Professional standards indicate that the investments in external investment pools are not subject to custodial risk because they are not evidenced by securities that exist in physical or book entry form. Nevertheless, management does not believe that there is any substantial custodial risk related to investments in the LGIP.

Local Government Investment Pool

The State Treasurer of the State of Oregon maintains the Oregon Short Term Fund, of which the Local Government Investment Pool is part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, the investment funds are invested as a prudent investor would do, exercising reasonable care, skill, and caution. The Oregon Short Term Fund is the LGIP 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). At June 30, 2024, the fair value of the position in the Oregon State Treasurer's Short Term Investment Pool was approximately equal to the value of the pool shares. The investment in the Oregon Short Term Fund is not subject to risk evaluation. LGIP is not rated for credit quality.

CITY OF DAYTON, OREGON**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2024****CASH AND CASH EQUIVALENTS (Continued)***Local Government Investment Pool (Continued)*

Separate financial statements for the Oregon Short Term Fund are available from the Oregon State Treasurer.

Interest Rate Risk

In accordance with its investment policy, the City manages its exposure to declines in fair value of its investments by limiting its investments to the LGIP.

LONG-TERM DEBT

As a result of the use of the modified cash basis of accounting in this report, obligations related to long-term debt and other obligations are not reported as liabilities in the financial statements. Long-term debt transactions for the year were as follows:

	<i>Outstanding</i> <i>July 1, 2023</i>	<i>Issued</i>	<i>Matured/ Redeemed During Year</i>	<i>Outstanding</i> <i>June 30, 2024</i>	<i>Due Within One Year</i>
<i>Direct Placement - Business-type activities</i>					
Note payable to Infrastructure Finance					
Authority (Oregon Business Development Department)	\$ 1,739,388	\$ -	\$ (125,939)	\$ 1,613,449	\$ 127,199
Note payable to Infrastructure Finance					
Authority (Oregon Business Development Department)	346,620	-	(14,164)	332,456	14,306
USDA Sewer Improvement Loan	2,174,921	-	(40,604)	2,134,317	42,029
Clean Water State Revolving Fund Loan	-	3,131,336	-	3,131,336	-
	<u>\$ 4,260,929</u>	<u>\$ 3,131,336</u>	<u>\$ (180,707)</u>	<u>\$ 7,211,558</u>	<u>\$ 183,534</u>

In relation to the 2005 Infrastructure Finance Authority borrowing, the City of Dayton made a loan to the City of Lafayette in the amount of \$600,000, which is collateralized by wells. The loan is to be repaid in annual installments of \$23,249 including interest at 1% through November 2033. The balance receivable at June 30, 2024, was \$220,197.

Loans payable – Business Type Activities

Infrastructure Finance Authority (OBDD): On September 30, 2002, the City entered into a loan agreement with the Oregon Business Development Division for water system improvements. The loan was for \$3,383,000 and calls for annual payments of \$143,333. The loan bears interest at 1%. Final maturity is December 1, 2032. In the event of default OBDD may declare all amounts immediately due and payable and pursue any remedies that are legally available.

CITY OF DAYTON, OREGON**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2024****LONG-TERM DEBT (Continued)**

Infrastructure Finance Authority (OBDD): On November 18, 2014 the City entered into a loan agreement with the Oregon Business Development Division for water system improvements. The loan was for \$910,000 with a \$455,000 conditional forgivable portion which was forgiven in June 2015. The loan calls for annual payments of \$17,630 and bears interest at 1%. Final maturity is December 1, 2044. In the event of default OBDD may declare all amounts immediately due and payable and pursue any remedies that are legally available.

USDA Sewer Improvement Loan: On December 6, 2019 the City refinanced the existing loan with Oregon DEQ in the amount of \$2,300,000 through the U.S. Department of Agriculture. The loan will bear interest at 1.874% and will be repaid in equal installments over 40 years. In the event of default USDA may pursue any remedies that are legally available.

USDA requires a Debt Service Reserve, which is fully funded at \$82,248. There is also a requirement for an annual deposit of \$14,544 to the Short-Lived Assets Reserve (SLAR). The annual deposit was not made as of June 30, 2024. The balance in the SLAR was \$15,000 as of June 30, 2024 and June 30, 2023.

Clean Water State Revolving Fund (CWSRF): On March 5, 2021, the City entered into a \$750,000 loan agreement with the State of Oregon, acting through its Department of Environmental Quality (DEQ), with an interest rate of 1.72%. However, the City did not draw down the loan of \$750,000. On July 26, 2023, the loan was amended to a principal amount of \$6,000,000, with \$500,000 forgiven, resulting in a net loan amount of \$5,500,000. The amended loan carries an interest rate of 1% and will be repaid in two annual installments over 30 years. In case of default, the DEQ may pursue legally available remedies. Additionally, there is a requirement for a loan reserve of \$106,337. The City's debt service fund balance stands at \$482,169.

As of June 30, 2024, the City had drawn down \$3,131,336 for Sewer Utility Capital expenditure. No repayments were made during the year.

Future maturities of unmatured principal and interest for the fiscal years ending June 30 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 183,534	\$ 59,678	\$ 243,212
2026	348,618	110,348	458,966
2027	352,483	106,482	458,965
2028	356,395	102,570	458,965
2029	360,252	98,714	458,966
2030-2034	1,862,693	432,188	2,294,881
2035-2039	1,534,890	330,189	1,865,079
2040-2044	1,328,424	249,738	1,578,162
2045-2049	1,338,072	169,514	1,507,586
2050-2054	1,456,120	142,037	1,598,157
2055-2059	381,813	29,427	411,240
2060-2061	76,929	1,554	78,483
	<hr/>	<hr/>	<hr/>
	\$ 9,580,222	* \$ 1,832,440	\$ 11,412,662

* The future debt payments schedule includes the \$5.5 million CWSRF loan; however, the City has only drawn down \$3.1 million as of June 30, 2024.

CITY OF DAYTON, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2024

PENSION PLAN

Plan Description - City employees are provided pension benefits through the Oregon Public Employees Retirement System (PERS). PERS is a cost-sharing multiple-employer defined benefit pension plan for units of state and local government in Oregon, containing multiple actuarial pools. Benefits are established and amended by the Oregon State Legislature pursuant to ORS Chapters 238 and 238A. The legislature has delegated the authority to administer and manage PERS to the Public Employees Retirement Board. PERS issues a publicly available financial report that can be found at:

<https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

Benefits Provided - PERS provides retirement, disability, and death benefits which vary based on a qualified employee's hire date and employment class (general service or police/fire). All City employees are eligible to participate after six months of covered employment. Details applicable to police/fire employees are noted in [square brackets] where different.

The Tier One/Tier Two Retirement Plan applies to qualifying employees hired before August 29, 2003 and is closed to new members.

Monthly retirement benefits are based on final 3-year average salary multiplied by years of service and a factor of 1.67% [2.00%]. Benefits may also be based on a money match computation, or formula plus annuity (for members contributing before August 21, 1981), if a greater benefit results. Employees are fully vested after making contributions in each of five calendar years and are eligible to retire at age 55 [50]. Tier One benefits are reduced if retirement occurs prior to age 58 [55] with less than 30 [25] years of service; Tier Two benefits are reduced for retirement prior to age 60.

Employees are eligible for service-related disability benefits regardless of length of service; 10 years of service is required for nonservice-related benefits. Disability benefits are determined in the same manner as retirement benefits with service time computed to age 58 [55].

Upon the death of a nonretired member, the beneficiary receives a lump-sum refund of the member's account balance. The beneficiary may also receive a matching lump-sum payment from employer funds if the member was in covered employment at the time of death, or if the member died less than 120 days after termination, while on official leave of absence, or as a result of a job-related injury.

Monthly benefits are subject to annual cost-of-living adjustments (COLA). For benefits earned after the relevant effective dates, the COLA is subject to a cap of 1.25% on the first \$60,000 of annual benefits and 0.15% thereafter (ORS 238.360).

The Oregon Public Service Retirement Plan (OPSRP) applies to qualifying employees hired on or after August 29, 2003.

Monthly retirement benefits are based on final 3-year average salary multiplied by years of service and a factor of 1.50% [1.80%]. Employees are fully vested after completing 600 hours of service in each of five calendar years and are eligible to retire at age 58 [53] with 30 [25] years of service, or at age 65 [60] otherwise.

Employees are eligible for service-related disability benefits regardless of length of service; 10 years of service is required for nonservice-related benefits. The benefit is 45% of the employee's salary during the last full month of employment before the disability occurred.

CITY OF DAYTON, OREGON**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2024**

PENSION PLAN (Continued)

Upon the death of a nonretired member, the beneficiary receives a monthly benefit equal to 50% of the retirement benefit that would have been paid to the member.

Monthly benefits are subject to annual cost-of-living adjustments (COLA). For benefits earned after the relevant effective dates, the COLA is subject to a cap of 1.25% on the first \$60,000 of annual benefits and 0.15% thereafter (ORS 238A.210).

Contribution Requirements – As a participating employer, the City is required to make monthly contributions to PERS based on actuarially determined percentages of covered payroll. Rates in effect for fiscal year 2024 were 21.92% for Tier One/Tier Two employees, 18.33% for OPSRP general service employees, and 23.12% for OPSRP police/fire employees. The City's total contributions to PERS were \$152,618 for fiscal year ended June 30, 2024.

Contribution requirements are established by Oregon statute and may be amended by an act of the Oregon State Legislature. Employer contribution rates for fiscal year 2024 were based on the December 31, 2021, actuarial valuation using the entry age normal actuarial cost method. It is important to note that the actuarial valuations used for rate setting are based on different methods and assumptions than those used for financial reporting which are described later in this note.

Employee contributions are set by statute at 6% of salary and are remitted by participating employers, who may agree to make employee contributions on the employee's behalf. Prior to January 1, 2004, employee contributions were credited to the defined benefit pension plan. Beginning January 1, 2004, all employee contributions were placed in the OPSRP Individual Account Program (IAP), a defined contribution pension plan described further at the end of this note.

Pension Assets/Liabilities, Pension Expense, and Pension-Related Deferrals – At June 30, 2024, the City reported a net pension liability of \$1,055,085 as its proportionate share of the collective net pension liability for PERS, measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was based on a December 31, 2021, actuarial valuation, rolled forward to the measurement date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to PERS relative to the projected contributions of all participating employers, as actuarially determined. The City's proportion was 0.005633% as of the June 30, 2023, measurement date, compared to 0.005071% as of June 30, 2022.

Actuarial Methods and Assumptions – The total pension liability in the December 31, 2021, actuarial valuation was determined using the entry age normal method and the following actuarial assumptions, applied to all periods included in the measurement: inflation rate of 2.40%, projected salary increases of 3.40%, investment rate of return of 6.90%, and mortality rates based on the Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs. These assumptions were based on the results of the December 31, 2021, actuarial experience study.

The long-term expected rate of return on pension plan investments was developed by combining estimated rates of return for each major asset class weighted by target asset allocation percentages and adjusting for inflation.

Target allocations and estimated geometric rates of return for each major asset class are available in the PERS publicly available financial report previously mentioned.

CITY OF DAYTON, OREGON**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2024**

PENSION PLAN (Continued)

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following chart shows the sensitivity of the net pension liability (asset) to changes in the discount rate, based on calculations using discount rates of 5.90%, 6.90%, and 7.90%.

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Proportionate share of the net pension liability	\$ 1,742,801	\$ 1,055,085	\$ 479,539

Pension Plan Fiduciary Net Position – Detailed information about PERS' net position is available in its separately issued financial report.

Defined Contribution Plan – PERS-eligible employees are statutorily required to contribute 6% of their annual covered salary to the OPSRP Individual Account Program (IAP), a defined contribution pension plan. Benefits terms, including contribution requirements, are established by the Oregon Legislature. As permitted, the City has opted to pick-up the contributions on behalf of employees; contributions were \$44,506 for the year ended June 30, 2024. Employees are fully vested after completing 600 hours of service in each of five calendar years. PERS contracts with VOYA Financial to administer the IAP.

EXPENDITURES IN EXCESS OF APPROPRIATIONS

Oregon law prohibits disbursements of a fund in excess of Council approved appropriations. Disbursements in excess of appropriations in individual funds occurred as follows:

Fund/Appropriation Category	Budget	Actual	Variance
<i>General</i>			
Planning	\$ 94,449	\$ 129,117	\$ (34,668)
<i>Sewer Utility</i>			
Materials and services	282,836	314,925	(32,089)

CITY OF DAYTON, OREGON**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2024****INTERFUND TRANSFERS (BUDGETARY BASIS)**

<i>Fund</i>	<i>Transfers In</i>	<i>Transfers Out</i>
General	\$ 19,000	\$ -
Transient Lodging Tax	-	24,000
Street	-	70,000
Building Reserve	20,000	-
Street Capital Projects	50,000	-
State Revenue Sharing	5,000	-
American Rescue Act	-	3,200
Equipment Replacement Reserve	40,000	-
Water Utility	-	350,000
Water Utility Capital	100,000	-
Sewer Utility	-	175,380
Sewer Utility Capital	53,200	-
Debt Service	335,380	-
	<hr/>	<hr/>
	\$ 622,580	\$ 622,580

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move revenues restricted to debt service from the funds collecting the revenues to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

DEFICIT FUND BALANCE

The Sewer Utility Capital Fund have deficit fund balances as of June 30, 2024, of \$1,016,465. The deficits were primarily due to expenditures exceeding the related fund revenues. The deficits will be recovered through future revenues and transfers from the entities' business enterprises and other funds.

CONTINGENCIES

The City purchases commercial insurance to cover all commonly insurable risks, which includes property damage, liability, and employee bonds. Most policies carry a small deductible amount. There were no open claims at the time of this report. No insurance settlements have exceeded coverage in the last three years.

SUPPLEMENTARY INFORMATION

CITY OF DAYTON, OREGON**RECONCILIATION OF BUDGETARY FUNDS TO REPORTING FUNDS – GENERAL FUND –
BALANCE SHEET (BUDGETARY BASIS)****JUNE 30, 2024**

	<i>Budgetary funds</i>		
	<i>General</i>	<i>State Revenue Sharing</i>	<i>Total (reported as General Fund)</i>
ASSETS			
Cash and cash equivalents	\$ 157,275	\$ 17,648	\$ 174,923
LIABILITIES AND FUND BALANCE			
<i>Liabilities</i>			
Payroll withholdings	\$ (830)	\$ -	\$ (830)
<i>Fund Balance</i>			
Unassigned	158,105	17,648	175,753
<i>Total Liabilities and Fund Balance</i>	<u>\$ 157,275</u>	<u>\$ 17,648</u>	<u>\$ 174,923</u>

CITY OF DAYTON, OREGON

RECONCILIATION OF BUDGETARY FUNDS TO REPORTING FUNDS – GENERAL FUND –
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (BUDGETARY BASIS)
 YEAR ENDED JUNE 30, 2024

	<i>Budgetary funds</i>			<i>Total (reported as General Fund)</i>	
	<i>State Revenue</i>		<i>Elimination</i>		
	<i>General</i>	<i>Sharing</i>			
REVENUES					
Taxes and assessments	\$ 270,424	\$ -	\$ -	\$ 270,424	
Licenses and permits	172,693	-	-	172,693	
Intergovernmental	84,869	30,996	-	115,865	
Fines and forfeitures	223	-	-	223	
Miscellaneous	63,095	4,744	-	67,839	
<i>Total Revenues</i>	591,304	35,740	-	627,044	
EXPENDITURES					
General government	223,536	59,329	-	282,865	
Public works	245,500	-	-	245,500	
Community development	319,539	538	-	320,077	
<i>Total Expenditures</i>	788,575	59,867	-	848,442	
REVENUES OVER (UNDER) EXPENDITURES	(197,271)	(24,127)	-	(221,398)	
OTHER FINANCING SOURCES (USES)					
Transfers in	19,000	5,000	-	24,000	
NET CHANGE IN FUND BALANCE	(178,271)	(19,127)	-	(197,398)	
FUND BALANCE, beginning of year	336,376	36,775	-	373,151	
FUND BALANCE, end of year	<u>\$ 158,105</u>	<u>\$ 17,648</u>	<u>\$ -</u>	<u>\$ 175,753</u>	

CITY OF DAYTON, OREGON

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2024

	<i>Special Revenue</i>		<i>Capital Projects</i>				<i>Total</i>	
	<i>Local Option Tax</i>		<i>American Rescue Plan Act</i>		<i>Park Capital Projects</i>			
	<i>Local Option Tax</i>	<i>American Rescue Plan Act</i>	<i>Park Capital Projects</i>	<i>Equipment Replacement Reserve</i>				
ASSETS								
Cash and cash equivalents	\$ 41,492	\$ (42)	\$ 46,789	\$ 36,943			\$ 125,182	
LIABILITIES AND FUND BALANCE								
<i>Liabilities</i>	\$ -	\$ -	\$ -	\$ -			\$ -	
<i>Fund Balance</i>								
Restricted for:								
Public safety	41,492		-	-			41,492	
Community development	-		-	46,789			46,789	
Committed to:								
Capital acquisitions	-		-		36,943		36,943	
Unassigned	-	(42)	-	-			(42)	
<i>Total Fund Balance</i>	<u>41,492</u>	<u>(42)</u>	<u>46,789</u>	<u>36,943</u>			<u>125,182</u>	
<i>Total Liabilities and Fund Balance</i>	<u>\$ 41,492</u>	<u>\$ (42)</u>	<u>\$ 46,789</u>	<u>\$ 36,943</u>			<u>\$ 125,182</u>	

CITY OF DAYTON, OREGON

*COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
NONMAJOR GOVERNMENTAL FUNDS*

YEAR ENDED JUNE 30, 2024

	<i>Special Revenue</i>	<i>Capital Projects</i>				<i>Total</i>
		<i>Local Option Tax</i>	<i>American Rescue Plan Act</i>	<i>Park Capital Projects</i>	<i>Equipment Replacement Reserve</i>	
REVENUES						
Licenses and permits	\$ 281,462	\$ -	\$ -	\$ -	\$ -	\$ 281,462
Fines and forfeitures	21,585	-	-	-	-	21,585
Miscellaneous	11,394	1,844	12,188	2,489		27,915
<i>Total Revenues</i>	<u>314,441</u>	<u>1,844</u>	<u>12,188</u>	<u>2,489</u>		<u>330,962</u>
EXPENDITURES						
Current						
Public works	337,171	-	-	-	-	337,171
Capital acquisitions	1,195	-	142,661	48,011		191,867
<i>Total Expenditures</i>	<u>338,366</u>	<u>-</u>	<u>142,661</u>	<u>48,011</u>		<u>529,038</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(23,925)</u>	<u>1,844</u>	<u>(130,473)</u>	<u>(45,522)</u>		<u>(198,076)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	40,000		40,000
Transfers out	-	(3,200)	-	-		(3,200)
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>(3,200)</u>	<u>-</u>	<u>40,000</u>		<u>36,800</u>
NET CHANGE IN FUND BALANCE	<u>(23,925)</u>	<u>(1,356)</u>	<u>(130,473)</u>	<u>(5,522)</u>		<u>(161,276)</u>
FUND BALANCE, beginning of year	<u>65,417</u>	<u>1,314</u>	<u>177,262</u>	<u>42,465</u>		<u>286,458</u>
FUND BALANCE (Deficit), end of year	<u>\$ 41,492</u>	<u>\$ (42)</u>	<u>\$ 46,789</u>	<u>\$ 36,943</u>		<u>\$ 125,182</u>

CITY OF DAYTON, OREGON

*SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) –
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED JUNE 30, 2024*

	<i>Budget Amounts</i>			
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Variance</i>
REVENUES				
Taxes and assessments	\$ 252,000	\$ 252,000	\$ 270,424	\$ 18,424
Licenses and permits	191,125	191,125	172,693	(18,432)
Intergovernmental	97,250	97,250	84,869	(12,381)
Fines and forfeitures	-	-	223	223
Miscellaneous	49,150	49,150	63,095	13,945
<i>Total Revenues</i>	589,525	589,525	591,304	1,779
EXPENDITURES				
Administration	249,376	249,376	223,536	25,840
Parks	180,120	180,120	172,821	7,299
Library	158,285	158,285	146,718	11,567
Planning	94,449	94,449	129,117	(34,668)
Building program	119,670	119,670	116,383	3,287
Contingency	50,763	50,763	-	50,763
<i>Total Expenditures</i>	852,663	852,663	788,575	64,088
REVENUES OVER (UNDER) EXPENDITURES				
	(263,138)	(263,138)	(197,271)	65,867
OTHER FINANCING SOURCES (USES)				
Transfers in	10,000	10,000	19,000	9,000
Transfers out	(10,000)	(10,000)	-	10,000
<i>Total Other Financing Sources (Uses)</i>	-	-	19,000	19,000
NET CHANGE IN FUND BALANCE				
<i>FUND BALANCE, beginning of year</i>	263,138	263,138	336,376	73,238
<i>FUND BALANCE, end of year</i>	\$ -	\$ -	\$ 158,105	\$ 158,105

CITY OF DAYTON, OREGON

*SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) –
BUDGET AND ACTUAL – STATE REVENUE SHARING FUND
YEAR ENDED JUNE 30, 2024*

	<i>Budget Amounts</i>			
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Variance</i>
REVENUES				
Intergovernmental	\$ 32,000	\$ 32,000	\$ 30,996	\$ (1,004)
Miscellaneous	1,000	1,000	4,744	3,744
<i>Total Revenues</i>	33,000	33,000	35,740	2,740
EXPENDITURES				
Materials and services	65,900	65,900	59,329	6,571
Capital outlay	1,000	1,000	538	462
<i>Total Expenditures</i>	66,900	66,900	59,867	7,033
REVENUES OVER (UNDER) EXPENDITURES				
	(33,900)	(33,900)	(24,127)	9,773
OTHER FINANCING SOURCES (USES)				
Transfers in	8,000	8,000	5,000	(3,000)
NET CHANGE IN FUND BALANCE	(25,900)	(25,900)	(19,127)	6,773
FUND BALANCE, beginning of year	25,900	25,900	36,775	10,875
FUND BALANCE, end of year	\$ -	\$ -	\$ 17,648	\$ 17,648

CITY OF DAYTON, OREGON

*SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) –
BUDGET AND ACTUAL – TRANSIENT LODGING TAX FUND
YEAR ENDED JUNE 30, 2024*

	<i>Budget Amounts</i>			
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Variance</i>
REVENUES				
Taxes and assessments	\$ 70,000	\$ 70,000	\$ 86,210	\$ 16,210
Miscellaneous	200	200	1,867	1,667
<i>Total Revenues</i>	<i>70,200</i>	<i>70,200</i>	<i>88,077</i>	<i>17,877</i>
EXPENDITURES				
Personal services	65,748	65,748	50,057	15,691
Materials and services	82,743	82,742	60,516	22,226
Capital outlay	25,000	25,000	-	25,000
Contingency	82,482	82,483	-	82,483
<i>Total Expenditures</i>	<i>255,973</i>	<i>255,973</i>	<i>110,573</i>	<i>145,400</i>
REVENUES OVER (UNDER) EXPENDITURES	(185,773)	(185,773)	(22,496)	163,277
OTHER FINANCING SOURCES (USES)				
Transfers out	(18,000)	(18,000)	(24,000)	(6,000)
NET CHANGE IN FUND BALANCE	(203,773)	(203,773)	(46,496)	157,277
FUND BALANCE, beginning of year	303,773	303,773	318,451	14,678
FUND BALANCE, end of year	\$ 100,000	\$ 100,000	\$ 271,955	\$ 171,955

CITY OF DAYTON, OREGON

*SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) –
BUDGET AND ACTUAL – STREET FUND
YEAR ENDED JUNE 30, 2024*

	<i>Budget Amounts</i>			
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Variance</i>
REVENUES				
Intergovernmental	\$ 200,000	\$ 200,000	\$ 210,883	\$ 10,883
Miscellaneous	2,600	2,600	6,722	4,122
<i>Total Revenues</i>	202,600	202,600	217,605	15,005
EXPENDITURES				
Personnel services	65,392	65,392	63,889	1,503
Materials and services	103,250	103,250	69,093	34,157
Capital outlay	22,500	22,500	1,929	20,571
Contingency	2,600	2,600	-	2,600
<i>Total Expenditures</i>	193,742	193,742	134,911	58,831
REVENUES OVER (UNDER) EXPENDITURES				
	8,858	8,858	82,694	73,836
OTHER FINANCING SOURCES (USES)				
Transfers out	(120,000)	(120,000)	(70,000)	50,000
NET CHANGE IN FUND BALANCE	(111,142)	(111,142)	12,694	123,836
FUND BALANCE, beginning of year	161,142	161,142	185,582	24,440
FUND BALANCE, end of year	\$ 50,000	\$ 50,000	\$ 198,276	\$ 148,276

CITY OF DAYTON, OREGON

*SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) –
BUDGET AND ACTUAL – BUILDING RESERVE FUND
YEAR ENDED JUNE 30, 2024*

	<i>Budget Amounts</i>			
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Variance</i>
REVENUES				
Miscellaneous	\$ 1,500	\$ 1,500	\$ 7,744	\$ 6,244
EXPENDITURES				
Capital outlay	135,000	135,000	121,122	13,878
Contingency	5,203	5,203	-	5,203
<i>Total Expenditures</i>	<u>140,203</u>	<u>140,203</u>	<u>121,122</u>	<u>19,081</u>
REVENUES OVER (UNDER) EXPENDITURES	(138,703)	(138,703)	(113,378)	25,325
OTHER FINANCING SOURCES (USES)				
Transfers in	25,000	25,000	20,000	(5,000)
NET CHANGE IN FUND BALANCE	(113,703)	(113,703)	(93,378)	20,325
FUND BALANCE, beginning of year	<u>213,703</u>	<u>213,703</u>	<u>213,920</u>	<u>217</u>
FUND BALANCE, end of year	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 120,542</u>	<u>\$ 20,542</u>

CITY OF DAYTON, OREGON**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) –
BUDGET AND ACTUAL – STREET CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2024**

	<i>Budget Amounts</i>			
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Variance</i>
REVENUES				
Licenses and permits	\$ 2,250	\$ 2,250	\$ -	\$ (2,250)
Intergovernmental	250,000	250,000	297,783	47,783
Miscellaneous	4,000	4,000	12,428	8,428
<i>Total Revenues</i>	256,250	256,250	310,211	53,961
EXPENDITURES				
Capital outlay	400,000	400,000	355,974	44,026
REVENUES OVER (UNDER) EXPENDITURES	(143,750)	(143,750)	(45,763)	97,987
OTHER FINANCING SOURCES (USES)				
Transfers in	100,000	100,000	50,000	(50,000)
NET CHANGE IN FUND BALANCE	(43,750)	(43,750)	4,237	47,987
FUND BALANCE, beginning of year	69,874	69,874	111,160	41,286
FUND BALANCE, end of year	\$ 26,124	\$ 26,124	\$ 115,397	\$ 89,273

CITY OF DAYTON, OREGON

*SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) –
BUDGET AND ACTUAL – LOCAL OPTION TAX FUND
YEAR ENDED JUNE 30, 2024*

	<i>Budget Amounts</i>			
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Variance</i>
REVENUES				
Taxes and assessments	\$ 261,500	\$ 261,500	\$ 281,462	\$ 19,962
Fines and forfeitures	7,000	7,000	21,585	14,585
Miscellaneous	1,400	1,400	11,394	9,994
<i>Total Revenues</i>	269,900	269,900	314,441	44,541
EXPENDITURES				
Personnel services	79,804	79,804	78,108	1,696
Materials and services	259,772	259,772	259,063	709
Capital outlay	1,750	1,750	1,195	555
Contingency	492	492	-	492
<i>Total Expenditures</i>	341,818	341,818	338,366	3,452
REVENUES OVER (UNDER) EXPENDITURES				
	(71,918)	(71,918)	(23,925)	47,993
OTHER FINANCING SOURCES (USES)				
Transfers in	10,000	10,000	-	(10,000)
NET CHANGE IN FUND BALANCE	(61,918)	(61,918)	(23,925)	37,993
FUND BALANCE, beginning of year	61,918	61,918	65,417	3,499
FUND BALANCE, end of year	\$ -	\$ -	\$ 41,492	\$ 41,492

CITY OF DAYTON, OREGON

*SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) –
BUDGET AND ACTUAL – AMERICAN RESCUE PLAN ACT FUND
YEAR ENDED JUNE 30, 2024*

	<i>Budget Amounts</i>			
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Variance</i>
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 1,844	\$ 1,844
REVENUES OVER (UNDER) EXPENDITURES				
	-	-	1,844	1,844
OTHER FINANCING SOURCES (USES)				
Transfers out	(490,255)	(490,255)	(3,200)	487,055
NET CHANGE IN FUND BALANCE				
	(490,255)	(490,255)	(1,356)	488,899
FUND BALANCE, beginning of year	490,255	490,255	1,314	(488,941)
FUND BALANCE (Deficit), end of year	\$ -	\$ -	\$ (42)	\$ (42)

CITY OF DAYTON, OREGON**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) –
BUDGET AND ACTUAL – PARK CAPITAL PROJECTS FUND**
YEAR ENDED JUNE 30, 2024

	<i>Budget Amounts</i>			
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Variance</i>
REVENUES				
Licenses and permits	\$ 400	\$ 400	\$ -	\$ (400)
Intergovernmental	75,000	75,000	-	(75,000)
Miscellaneous	4,000	4,000	12,188	8,188
<i>Total Revenues</i>	79,400	79,400	12,188	(67,212)
EXPENDITURES				
Materials and services	75,000	75,000	-	75,000
Capital outlay	159,500	159,500	142,661	16,839
<i>Total Expenditures</i>	234,500	234,500	142,661	91,839
NET CHANGE IN FUND BALANCE	(155,100)	(155,100)	(130,473)	24,627
FUND BALANCE, beginning of year	165,960	165,960	177,262	11,302
FUND BALANCE, end of year	\$ 10,860	\$ 10,860	\$ 46,789	\$ 35,929

CITY OF DAYTON, OREGON

*SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) –
BUDGET AND ACTUAL – EQUIPMENT REPLACEMENT RESERVE FUND
YEAR ENDED JUNE 30, 2024*

	<i>Budget Amounts</i>			
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Variance</i>
REVENUES				
Miscellaneous	\$ 550	\$ 550	\$ 2,489	\$ 1,939
EXPENDITURES				
Capital outlay	85,000	85,000	48,011	36,989
Contingency	26,443	26,443	-	26,443
<i>Total Expenditures</i>	<u>111,443</u>	<u>111,443</u>	<u>48,011</u>	<u>63,432</u>
REVENUES OVER (UNDER) EXPENDITURES	(110,893)	(110,893)	(45,522)	65,371
OTHER FINANCING SOURCES (USES)				
Transfers in	70,000	70,000	40,000	(30,000)
NET CHANGE IN FUND BALANCE	(40,893)	(40,893)	(5,522)	35,371
FUND BALANCE, beginning of year	<u>40,893</u>	<u>40,893</u>	<u>42,465</u>	<u>1,572</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,943</u>	<u>\$ 36,943</u>

CITY OF DAYTON, OREGON**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
WATER OPERATIONS****YEAR ENDED JUNE 30, 2024**

	<i>Water Utility</i>	<i>Water Utility Capital</i>	<i>Interfund Eliminations</i>	<i>Total Water Operations</i>
REVENUES				
Charges for services	\$ 1,166,854	\$ -	\$ -	\$ 1,166,854
Miscellaneous	33,295	21,923	-	55,218
<i>Total Revenues</i>	<i>1,200,149</i>	<i>21,923</i>	<i>-</i>	<i>1,222,072</i>
EXPENDITURES				
Personnel services	374,573	-	-	374,573
Materials and services	402,865	-	-	402,865
Capital outlay	17,776	658,344	-	676,120
<i>Total Expenditures</i>	<i>795,214</i>	<i>658,344</i>	<i>-</i>	<i>1,453,558</i>
REVENUES OVER (UNDER) EXPENDITURES	404,935	(636,421)	-	(231,486)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	100,000	(100,000)	-
Transfers out	(350,000)	-	100,000	(250,000)
<i>Total Other Financing Sources (Uses)</i>	<i>(350,000)</i>	<i>100,000</i>	<i>-</i>	<i>(250,000)</i>
NET CHANGE IN FUND BALANCE	54,935	(536,421)	-	(481,486)
FUND BALANCE, beginning of year	694,823	899,119	-	1,593,942
FUND BALANCE, end of year	\$ 749,758	\$ 362,698	\$ -	\$ 1,112,456

CITY OF DAYTON, OREGON

*SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) –
BUDGET AND ACTUAL – WATER UTILITY FUND
YEAR ENDED JUNE 30, 2024*

	<i>Budget Amounts</i>			
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Variance</i>
REVENUES				
Charges for services	\$ 1,060,300	\$ 1,060,300	\$ 1,166,854	\$ 106,554
Miscellaneous	5,000	5,000	33,295	28,295
<i>Total Revenues</i>	1,065,300	1,065,300	1,200,149	134,849
EXPENDITURES				
Personnel services	392,906	392,906	374,573	18,333
Materials and services	473,214	473,214	402,865	70,349
Capital outlay	33,000	33,000	17,776	15,224
Contingency	53,234	53,234	-	53,234
<i>Total Expenditures</i>	952,354	952,354	795,214	157,140
REVENUES OVER (UNDER) EXPENDITURES				
	112,946	112,946	404,935	291,989
OTHER FINANCING SOURCES (USES)				
Transfers out	(605,000)	(605,000)	(350,000)	255,000
NET CHANGE IN FUND BALANCE	(492,054)	(492,054)	54,935	546,989
FUND BALANCE, beginning of year	567,054	567,054	694,823	127,769
FUND BALANCE, end of year	\$ 75,000	\$ 75,000	\$ 749,758	\$ 674,758

CITY OF DAYTON, OREGON

*SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) –
BUDGET AND ACTUAL – WATER UTILITY CAPITAL FUND
YEAR ENDED JUNE 30, 2024*

	<i>Budget Amounts</i>			
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Variance</i>
REVENUES				
Miscellaneous	\$ 3,000	\$ 3,000	\$ 21,923	\$ 18,923
EXPENDITURES				
Capital outlay	1,293,201	1,293,201	658,344	634,857
Contingency	28,464	28,464	-	28,464
<i>Total Expenditures</i>	<u>1,321,665</u>	<u>1,321,665</u>	<u>658,344</u>	<u>663,321</u>
REVENUES OVER (UNDER) EXPENDITURES	(1,318,665)	(1,318,665)	(636,421)	682,244
OTHER FINANCING SOURCES (USES)				
Capital contributions	16,968	16,968	-	(16,968)
Transfers in	415,000	415,000	100,000	(315,000)
<i>Total Other Financing Sources (Uses)</i>	<u>431,968</u>	<u>431,968</u>	<u>100,000</u>	<u>(331,968)</u>
NET CHANGE IN FUND BALANCE	(886,697)	(886,697)	(536,421)	350,276
FUND BALANCE, beginning of year	<u>936,697</u>	<u>936,697</u>	<u>899,119</u>	<u>(37,578)</u>
FUND BALANCE, end of year	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 362,698</u>	<u>\$ 312,698</u>

CITY OF DAYTON, OREGON

*COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
SEWER OPERATIONS*

YEAR ENDED JUNE 30, 2024

	<i>Sewer Utility</i>	<i>Sewer Utility Capital</i>	<i>Interfund Eliminations</i>	<i>Total Sewer Operations</i>
<i>REVENUES</i>				
Charges for services	\$ 578,802	\$ -	\$ -	\$ 578,802
Miscellaneous	48,511	13,441	-	61,952
<i>Total Revenues</i>	<i>627,313</i>	<i>13,441</i>	<i>-</i>	<i>640,754</i>
<i>EXPENDITURES</i>				
Personnel services	270,123	-	-	270,123
Materials and services	314,925	-	-	314,925
Capital outlay	2,209	5,281,219	-	5,283,428
<i>Total Expenditures</i>	<i>587,257</i>	<i>5,281,219</i>	<i>-</i>	<i>5,868,476</i>
<i>REVENUES OVER (UNDER) EXPENDITURES</i>				
	40,056	(5,267,778)	-	(5,227,722)
<i>OTHER FINANCING SOURCES (USES)</i>				
Transfers in	-	53,200	(10,000)	43,200
Transfers out	(175,380)	-	10,000	(165,380)
Proceeds from issuance of debt	-	3,131,336	-	3,131,336
<i>Total Other Financing Sources (Uses)</i>	<i>(175,380)</i>	<i>3,184,536</i>	<i>-</i>	<i>3,009,156</i>
<i>NET CHANGE IN FUND BALANCE</i>				
	(135,324)	(2,083,242)	-	(2,218,566)
<i>FUND BALANCE, beginning of year</i>				
	210,462	1,066,759	-	1,277,221
<i>FUND BALANCE (Deficit), end of year</i>				
	<u>\$ 75,138</u>	<u>\$ (1,016,483)</u>	<u>\$ -</u>	<u>\$ (941,345)</u>

CITY OF DAYTON, OREGON

*SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) –
BUDGET AND ACTUAL – SEWER UTILITY FUND
YEAR ENDED JUNE 30, 2024*

	<i>Budget Amounts</i>			
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Variance</i>
REVENUES				
Charges for services	\$ 651,912	\$ 651,912	\$ 578,802	\$ (73,110)
Miscellaneous	21,250	21,250	48,511	27,261
<i>Total Revenues</i>	<i>673,162</i>	<i>673,162</i>	<i>627,313</i>	<i>(45,849)</i>
EXPENDITURES				
Personnel services	299,073	299,073	270,123	28,950
Materials and services	282,836	282,836	314,925	(32,089)
Capital outlay	16,500	16,500	2,209	14,291
<i>Total Expenditures</i>	<i>598,409</i>	<i>598,409</i>	<i>587,257</i>	<i>11,152</i>
REVENUES OVER (UNDER) EXPENDITURES				
	74,753	74,753	40,056	(34,697)
OTHER FINANCING SOURCES (USES)				
Transfers out	(271,000)	(271,000)	(175,380)	95,620
NET CHANGE IN FUND BALANCE	(196,247)	(196,247)	(135,324)	60,923
FUND BALANCE, beginning of year	231,965	231,965	210,462	(21,503)
FUND BALANCE, end of year	\$ 35,718	\$ 35,718	\$ 75,138	\$ 39,420

CITY OF DAYTON, OREGON

*SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) –
BUDGET AND ACTUAL – SEWER UTILITY CAPITAL FUND
YEAR ENDED JUNE 30, 2024*

	<i>Budget Amounts</i>			
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Variance</i>
REVENUES				
Miscellaneous	\$ 2,000	\$ 2,000	\$ 13,441	\$ 11,441
EXPENDITURES				
Materials and services	10,000	10,000	-	10,000
Capital outlay	7,190,000	7,190,000	5,281,219	1,908,781
Contingency	37,443	37,443	-	37,443
<i>Total Expenditures</i>	<u>7,237,443</u>	<u>7,237,443</u>	<u>5,281,219</u>	<u>1,956,224</u>
REVENUES OVER (UNDER) EXPENDITURES				
	(7,235,443)	(7,235,443)	(5,267,778)	1,967,665
OTHER FINANCING SOURCES (USES)				
Capital contributions	15,128	15,128	-	(15,128)
Transfers in	640,255	640,255	53,200	(587,055)
Proceeds from issuance of debt	5,500,000	5,500,000	3,131,336	(2,368,664)
<i>Total Other Financing Sources (Uses)</i>	<u>6,155,383</u>	<u>6,155,383</u>	<u>3,184,536</u>	<u>(2,970,847)</u>
NET CHANGE IN FUND BALANCE				
	(1,080,060)	(1,080,060)	(2,083,242)	(1,003,182)
FUND BALANCE, beginning of year	<u>1,080,060</u>	<u>1,080,060</u>	<u>1,066,759</u>	<u>(13,301)</u>
FUND BALANCE (Deficit), end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,016,483)</u>	<u>\$ (1,016,483)</u>

CITY OF DAYTON, OREGON**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) –
BUDGET AND ACTUAL – DEBT SERVICE FUND****YEAR ENDED JUNE 30, 2024**

	<i>Budget Amounts</i>			
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Variance</i>
REVENUES				
Intergovernmental	\$ 23,249	\$ 23,249	\$ 23,249	\$ -
Miscellaneous	1,000	1,000	13,976	12,976
<i>Total Revenues</i>	<i>24,249</i>	<i>24,249</i>	<i>37,225</i>	<i>12,976</i>
EXPENDITURES				
Debt service				
Principal	181,012	181,012	182,132	(1,120)
Interest	161,654	161,654	61,080	100,574
<i>Total Expenditures</i>	<i>342,666</i>	<i>342,666</i>	<i>243,212</i>	<i>99,454</i>
REVENUES OVER (UNDER) EXPENDITURES	(318,417)	(318,417)	(205,987)	112,430
OTHER FINANCING SOURCES (USES)				
Transfers in	236,000	236,000	335,380	99,380
NET CHANGE IN FUND BALANCE	(82,417)	(82,417)	129,393	211,810
FUND BALANCE, beginning of year	349,677	349,677	352,776	3,099
FUND BALANCE, end of year	\$ 267,260	\$ 267,260	\$ 482,169	\$ 214,909

COMPLIANCE SECTION

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

Honorable Mayor and Members of the City Council
City of Dayton
Dayton, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City of Dayton, Oregon (the "City") as of and for the year ended June 30, 2024, and have issued our report thereon dated May 29, 2025.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 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 statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

- **Deposit of public funds with financial institutions (ORS Chapter 295).**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Highway revenues used for public highways, roads, and streets.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **Accountability for collecting or receiving money by elected officials - no money was collected or received by elected officials.**

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

- Omission of the annual deposit to the Short-lived Annual Reserve (SLAR) as detailed in the notes to the financial statements on page 26
- Expenditures in excess of appropriations as detailed in the notes to the basic financial statements on page 29
- The deficit fund balance as detailed in the notes to the basic financial statements on page 30
- Except for the general fund, the FY23/24 budget was adopted at the category level instead of at the organization unit/program as required by local budget law.

Internal Control Over Financial Reporting

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

Restriction on Use

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



Devan W. Esch, Principal
For REDW LLC
Salem, Oregon
May 29, 2025

City of Dayton, Oregon

Federal Grant Compliance Report
Year Ended June 30, 2024

redw
Advisors & CPAs

Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards*

Honorable Mayor and Members of the City Council
City of Dayton
Dayton, Oregon

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dayton (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 October 6, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

*REDW*_{LLC}

Salem, Oregon
October 6, 2025

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance with the Uniform Guidance

Honorable Mayor and Members of the City Council
City of Dayton
Dayton, Oregon

Report on Compliance for Each Major Federal Program

Opinion on the Major Federal Program

We have audited the City of Dayton (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal program for the year ended June 30, 2024. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for Opinion on the Major Federal Program

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

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of 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. We issued our report thereon dated May 29, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

*REDW*_{LLC}

Salem, Oregon
October 6, 2025

City of Dayton
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

	Assistance Listing Number	Pass-Through Entity Identifying Number	Expenditures
Environmental Protection Agency			
<i>Passed through Oregon Department of Environmental Quality</i>			
Capitalization Grants for Clean Water State Revolving Funds	66.458	R26753	<u>\$ 4,668,540</u>
Total Environmental Protection Agency			<u>4,668,540</u>
National Parks Service			
<i>Passed through Oregon State Parks and Recreation</i>			
Historic Preservation Fund Grants in Aid	15.904	NMHLPFCFB9V4 65FF1	<u>3,579</u>
Total Environmental Protection Agency			<u>3,579</u>
U.S. Department of Transportation			
<i>Passed through Oregon Department of Transportation</i>			
Highway Planning and Construction	20.205	n/a	<u>47,783</u>
Total Environmental Protection Agency			<u>47,783</u>
Total federal expenditures			<u>4,719,902</u>
Reconciling Items			
Less loan amounts not yet drawn			<u>1,537,204</u>
Total federal revenue			<u>\$ 3,182,698</u>

See accompanying notes to the schedule of expenditures of federal awards.

City of Dayton
Notes to Schedule of Expenditures of Federal Awards
June 30, 2024

1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the City of Dayton (the “City”) for the year ended June 30, 2024. The federal award information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to, and does not, present the financial position, changes in net position, or cash flows of City of Dayton.

2) Summary of Significant Accounting Policies

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

City of Dayton
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting: Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major federal program: Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor’s report issued on compliance for major federal program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)	No

Identification of major federal program:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
66.458	Capitalization Grants for Clean Water State Revolving Funds

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
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Auditee qualified as low-risk auditee?	No
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City of Dayton
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Section II – Financial Statement Findings

There were no financial statement findings reported for the fiscal year ended June 30, 2024.

Section III – Federal Award Findings

There were no federal award findings reported for the fiscal year ended June 30, 2024.