



CITY OF DONALD
Marion County, Oregon

ANNUAL FINANCIAL REPORT

June 30, 2024



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CERTIFIED PUBLIC ACCOUNTANTS

436 1st Avenue W • PO Box 1072
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**CITY OF DONALD
Marion County, Oregon**

CITY OFFICIALS

June 30, 2024

MAYOR

Rick Olmsted

CITY COUNCIL

Gerry Waller, Council President

Mark Buzzard

Michael Coffman

Amanda Johnson (appointed 12/12/2023)

Jan Olsen

Neil Strathdee

*All councilors receive mail at the address listed below

ADMINISTRATION

Eric Underwood, City Manager

CITY ADDRESS

P.O. Box 388
10710 Main Street NE
Donald, Oregon 97020

CITY OF DONALD
Marion County, Oregon

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

The Honorable Rick Olmsted, Mayor
and Members of the City Council
City of Donald
Donald, Oregon 97020

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Donald, Marion County, Oregon as of June 30, 2024, and the respective changes in modified cash basis financial position, and where applicable, cash flows, thereof for the year then ended on the basis of accounting described in Note I.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 of Donald, Marion County, Oregon, 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 Note I of the financial statements, which describes the basis of accounting. The City of Donald prepares its financial statements 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 that matter.

Emphasis of Matter - Change in Accounting Principle

As described in the notes to the financial statements, in the year ended June 30, 2024, the District adopted new accounting guidance: GASB Statement No. 100, *Accounting Changes and Error Corrections*. 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 these financial statements in accordance with the modified cash basis of accounting described in Note I, 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 misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Donald, Marion County, Oregon's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Donald, Marion County, Oregon'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 of Donald, Marion County, Oregon'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 of Donald, Marion County, Oregon’s basic financial statements. The combining and individual nonmajor fund financial statements, if applicable, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, if applicable, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated September 24, 2024 on our tests of the District’s compliance with certain provisions of laws and regulations specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Accuity, LLC

By: 

Glen O. Kearns, CPA

Albany, Oregon
September 24, 2024

BASIC FINANCIAL STATEMENTS

CITY OF DONALD
Marion County, Oregon

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

June 30, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 626,724	\$ 1,238,210	\$ 1,864,934
Restricted assets			
Cash and cash equivalents	478,910	696,605	1,175,515
Capital assets not being depreciated	40,417	879,268	919,685
Capital assets being depreciated, net	883,060	1,218,452	2,101,512
Total assets	2,029,111	4,032,535	6,061,646
LIABILITIES			
Current liabilities			
Payroll liabilities	3,313	-	3,313
Due to other governments	2,597	-	2,597
Long-term debt, current portion	25,000	-	25,000
Total current liabilities	30,910	-	30,910
Noncurrent liabilities			
Long-term debt, less current portion	35,000	-	35,000
Total liabilities	65,910	-	65,910
NET POSITION			
Net investment in capital assets	923,477	2,097,720	3,021,197
Restricted for:			
Streets	109,245	-	109,245
Parks	78,270	-	78,270
Transportation	286,326	-	286,326
Debt service	5,069	-	5,069
System development	-	696,605	696,605
Unrestricted	560,814	1,238,210	1,799,024
Total net position	\$ 1,963,201	\$ 4,032,535	\$ 5,995,736

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

CITY OF DONALD
Marion County, Oregon

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the Year Ended June 30, 2024

Functions/Programs	Program Revenues				Net Revenues (Expenses) and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
General government	\$ 184,630	\$ 59,817	\$ 15,000	\$ -	\$ (109,813)	\$ -	\$ (109,813)
Community development	8,701	-	-	-	(8,701)	-	(8,701)
Highways and streets	71,858	17,877	-	50,000	(3,981)	-	(3,981)
Parks	38,697	65,556	-	-	26,859	-	26,859
Planning and building	23,069	-	-	-	(23,069)	-	(23,069)
Public safety	12,914	-	-	-	(12,914)	-	(12,914)
Transportation	-	247,952	-	-	247,952	-	247,952
Unallocated depreciation expense	47,562	-	-	-	(47,562)	-	(47,562)
Interest on long-tem debt	2,981	-	-	-	(2,981)	-	(2,981)
Total governmental activities	<u>390,412</u>	<u>391,202</u>	<u>15,000</u>	<u>50,000</u>	<u>65,790</u>	<u>-</u>	<u>65,790</u>
Business-Type Activities							
Water	431,218	499,809	-	588,785	-	657,376	657,376
Sewer	464,852	788,448	-	-	-	323,596	323,596
Stormwater	1,500	125,857	-	-	-	124,357	124,357
Total business-type activities	<u>896,070</u>	<u>1,288,257</u>	<u>-</u>	<u>588,785</u>	<u>-</u>	<u>1,105,329</u>	<u>1,105,329</u>
Total	<u>\$ 1,286,482</u>	<u>\$ 1,679,459</u>	<u>\$ 15,000</u>	<u>\$ 638,785</u>	<u>65,790</u>	<u>1,105,329</u>	<u>1,171,119</u>
General revenues							
Property taxes levied for general purposes					130,254	-	130,254
Property taxes levied for debt service					23,612	-	23,612
Motor fuel taxes					-	-	-
Franchise fees					100,268	-	100,268
Intergovernmental					111,703	-	111,703
Interest					40,355	76,014	116,369
Miscellaneous					2,914	1,439	4,353
Total general revenues					<u>409,106</u>	<u>77,453</u>	<u>486,559</u>
Transfers					(69,813)	69,813	-
Change in net position					405,083	1,252,595	1,657,678
Net position - beginning, as restated					<u>1,558,118</u>	<u>2,779,940</u>	<u>4,338,058</u>
Net position - ending					<u>\$ 1,963,201</u>	<u>\$ 4,032,535</u>	<u>\$ 5,995,736</u>

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

CITY OF DONALD
Marion County, Oregon

BALANCE SHEET - MODIFIED CASH BASIS

GOVERNMENTAL FUNDS

June 30, 2024

	General Fund	Street Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 626,724	\$ 109,245	\$ 369,665	\$ 1,105,634
LIABILITIES				
Payroll liabilities	\$ 3,313	\$ -	\$ -	\$ 3,313
Due to other governments	2,597	-	-	2,597
Total liabilities	5,910	-	-	5,910
FUND BALANCES				
Restricted for:				
Highways and streets	-	109,245	-	109,245
Parks	-	-	78,270	78,270
Transportation	-	-	286,326	286,326
Debt service	-	-	5,069	5,069
Unassigned	620,814	-	-	620,814
Total fund balances	620,814	109,245	369,665	1,099,724
Total liabilities and fund balances	\$ 626,724	\$ 109,245	\$ 369,665	\$ 1,105,634

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

CITY OF DONALD
Marion County, Oregon

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES - MODIFIED CASH BASIS

June 30, 2024

Total fund balances		\$ 1,099,724
Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds:		
Cost	1,191,974	
Accumulated depreciation	<u>(268,497)</u>	923,477
Long-term assets and liabilities not payable in the current year are not reported as governmental fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but rather, is recognized as an expenditure when due. These liabilities consist of:		
Loans payable		<u>(60,000)</u>
Net position of governmental activities		<u>\$ 1,963,201</u>

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

CITY OF DONALD
Marion County, Oregon

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - MODIFIED CASH BASIS

GOVERNMENTAL FUNDS

For the Year Ended June 30, 2024

	General Fund	Street Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 130,254	\$ -	\$ 23,612	\$ 153,866
Charges for services	-	14,827	313,508	328,335
Franchise fees	100,268	-	-	100,268
Licenses and permits	58,522	-	-	58,522
Intergovernmental	32,805	78,898	-	111,703
Grants and contributions	15,375	50,000	-	65,375
Interest	35,658	1,595	3,102	40,355
Miscellaneous	3,798	3,086	-	6,884
	<u>376,680</u>	<u>148,406</u>	<u>340,222</u>	<u>865,308</u>
EXPENDITURES				
Current				
General government	184,630	-	-	184,630
Planning and building	28,810	-	-	28,810
Highways and streets	-	66,117	-	66,117
Public safety	12,914	-	-	12,914
Parks	38,697	-	-	38,697
Capital outlay	113,011	-	-	113,011
Debt service	-	-	22,981	22,981
	<u>378,062</u>	<u>66,117</u>	<u>22,981</u>	<u>467,160</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,382)</u>	<u>82,289</u>	<u>317,241</u>	<u>398,148</u>
OTHER FINANCING				
SOURCES (USES)				
Transfers in	23,080	-	-	23,080
Net change in fund balances	21,698	82,289	317,241	421,228
Fund balances - beginning	599,116	26,956	52,424	678,496
Fund balances - ending	<u>\$ 620,814</u>	<u>\$ 109,245</u>	<u>\$ 369,665</u>	<u>\$ 1,099,724</u>

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

CITY OF DONALD
Marion County, Oregon

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the Year Ended June 30, 2024

Net change in fund balances		\$	421,228
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>Governmental funds report capital outlay as expenditures; however, in the statement of activities, the costs of these assets are allocated over their estimated useful lives and reported as depreciation expense.</p>			
Capital asset purchases	11,417		
Depreciation expense recorded in the current year	<u>(47,562)</u>		(36,145)
<p>Long-term debt proceeds are reported as other financing sources in the governmental funds. In the statement of net position, however, issuing long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the statement of net position.</p>			
Debt principal paid			<u>20,000</u>
Change in net position of governmental activities		\$	<u>405,083</u>

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

CITY OF DONALD
Marion County, Oregon

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

PROPRIETARY FUNDS

June 30, 2024

	Business-Type Activities - Enterprise Funds				
	Water Fund	Sewer Fund	Sewer System Development Fund	Nonmajor Enterprise Funds	Total Enterprise Funds
ASSETS					
Current assets					
Cash and cash equivalents	\$ 356,713	\$ 881,497	\$ -	\$ -	\$ 1,238,210
Restricted assets					
Cash and cash equivalents	-	-	468,761	227,844	696,605
Capital assets not being depreciated	879,268	-	-	-	879,268
Capital assets being depreciated, net	<u>715,404</u>	<u>51,698</u>	<u>-</u>	<u>451,350</u>	<u>1,218,452</u>
Total assets	<u>1,951,385</u>	<u>933,195</u>	<u>468,761</u>	<u>679,194</u>	<u>4,032,535</u>
NET POSITION					
Net investment in capital assets	1,594,672	51,698	-	451,350	2,097,720
Restricted for system development	-	-	468,761	227,844	696,605
Unrestricted	<u>356,713</u>	<u>881,497</u>	<u>-</u>	<u>-</u>	<u>1,238,210</u>
Total net position	<u>\$ 1,951,385</u>	<u>\$ 933,195</u>	<u>\$ 468,761</u>	<u>\$ 679,194</u>	<u>\$ 4,032,535</u>

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

CITY OF DONALD
Marion County, Oregon

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND
NET POSITION - MODIFIED CASH BASIS

PROPRIETARY FUNDS

For the Year Ended June 30, 2024

	Business-Type Activities - Enterprise Funds				Total Enterprise Funds
	Water Fund	Sewer Fund	Sewer System Development Fund	Nonmajor Enterprise Funds	
OPERATING REVENUES					
Charges for services	\$ 451,666	\$ 608,722	\$ 156,876	\$ 174,000	\$ 1,391,264
Miscellaneous income	690	749	-	-	1,439
Rental income	-	22,850	-	-	22,850
Total operating revenues	<u>452,356</u>	<u>632,321</u>	<u>156,876</u>	<u>174,000</u>	<u>1,415,553</u>
OPERATING EXPENSES					
Personnel services	222,853	222,853	-	-	445,706
Materials and services	129,018	231,116	-	-	360,134
Repairs and maintenance	-	-	-	1,500	1,500
Depreciation	36,082	10,883	-	43,265	90,230
Total operating expenses	<u>387,953</u>	<u>464,852</u>	<u>-</u>	<u>44,765</u>	<u>897,570</u>
Operating income (loss)	<u>64,403</u>	<u>167,469</u>	<u>156,876</u>	<u>129,235</u>	<u>517,983</u>
NONOPERATING REVENUES (EXPENSES)					
Grants and contributions	588,785	-	-	-	588,785
Interest income	15,562	39,933	17,427	3,092	76,014
Total nonoperating revenues (expenses)	<u>604,347</u>	<u>39,933</u>	<u>17,427</u>	<u>3,092</u>	<u>664,799</u>
Income (loss) before contributions and transfers	<u>668,750</u>	<u>207,402</u>	<u>174,303</u>	<u>132,327</u>	<u>1,182,782</u>
TRANSFERS					
Transfers in	92,893	-	-	-	92,893
Transfers out	(11,540)	(11,540)	-	-	(23,080)
Total transfers	<u>81,353</u>	<u>(11,540)</u>	<u>-</u>	<u>-</u>	<u>69,813</u>
Change in net position	750,103	195,862	174,303	132,327	1,252,595
Total net position - beginning	<u>1,201,282</u>	<u>737,333</u>	<u>294,458</u>	<u>546,867</u>	<u>2,779,940</u>
Total net position - ending	<u>\$ 1,951,385</u>	<u>\$ 933,195</u>	<u>\$ 468,761</u>	<u>\$ 679,194</u>	<u>\$ 4,032,535</u>

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

CITY OF DONALD
Marion County, Oregon

STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS

ENTERPRISE FUNDS

For the Year Ended June 30, 2024

	Business-Type Activities - Enterprise Funds				Total Enterprise Funds
	Water Fund	Sewer Fund	Sewer System Development Fund	Nonmajor Enterprise Funds	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 452,356	\$ 632,321	\$ 156,876	\$ 174,000	\$ 1,415,553
Payments to employees	(222,853)	(222,853)	-	-	(445,706)
Payments to vendors	(129,018)	(231,116)	-	(1,500)	(361,634)
Net cash provided (used) by operating activities	<u>100,485</u>	<u>178,352</u>	<u>156,876</u>	<u>172,500</u>	<u>608,213</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES					
Capital asset purchases	(692,421)	-	-	-	(692,421)
Transfers from other funds	92,893	-	-	-	92,893
Transfers to other funds	(11,540)	(11,540)	-	-	(23,080)
Net cash provided (used) by noncapital financing activities	<u>(611,068)</u>	<u>(11,540)</u>	<u>-</u>	<u>-</u>	<u>(622,608)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Grants and contributions	588,785	-	-	-	588,785
Investment income	15,562	39,933	17,427	3,092	76,014
Net cash provided (used) by investing activities	<u>604,347</u>	<u>39,933</u>	<u>17,427</u>	<u>3,092</u>	<u>664,799</u>
Net increase (decrease) in cash and cash equivalents	93,764	206,745	174,303	175,592	650,404

(continued)

CITY OF DONALD
Marion County, Oregon

STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS

PROPRIETARY FUNDS

For the Year Ended June 30, 2024

	Business-Type Activities - Enterprise Funds				
(continued)	Water Fund	Sewer Fund	Sewer System Development Fund	Nonmajor Enterprise Funds	Total Enterprise Funds
Cash and cash equivalents - beginning	\$ 262,949	\$ 674,752	\$ 294,458	\$ 52,252	\$ 1,284,411
Cash and cash equivalents - ending	<u>\$ 356,713</u>	<u>\$ 881,497</u>	<u>\$ 468,761</u>	<u>\$ 227,844</u>	<u>\$ 1,934,815</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 64,403	\$ 167,469	\$ 156,876	\$ 129,235	\$ 517,983
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	<u>36,082</u>	<u>10,883</u>	<u>-</u>	<u>43,265</u>	<u>90,230</u>
Net cash provided (used) by operating activities	<u>\$ 100,485</u>	<u>\$ 178,352</u>	<u>\$ 156,876</u>	<u>\$ 172,500</u>	<u>\$ 608,213</u>
Schedule of non-cash and capital related activities					
Contributions of capital assets	\$ (92,893)	\$ -	\$ -	\$ -	\$ -

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

NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF DONALD
Marion County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Donald have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the City. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

B. Reporting Entity

The City of Donald, Oregon has a rich history in agriculture, industry, business, and family, and was a main station for the Oregon Electric Railway by the early 1900's. The City was incorporated in 1912, and the government consists of an elected mayor and six council members. The City's mission is to promote and improve our quality of life, while enhancing our sense of community, and preserving our small-town heritage for all.

The City is located 24 miles south of Portland and 27 miles north of Salem in the stunning Willamette Valley. Champoeg State Heritage Park, which is one of the State of Oregon's most notable landmarks, is just four miles west. Six miles east of the City is Willamette Aviation, Oregon's third busiest airport.

C. Basis of Presentation - Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from all governmental funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the government's funds. Separate statements for each fund category, governmental and proprietary, are presented.

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The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

General Fund – The General Fund is the primary operating fund of the City. It accounts for all financial resources of the City except those required to be accounted for in another fund.

Special Revenue Fund

Streets Fund – The Streets Fund is used to account for highway taxes received from the State of Oregon. Primary expenses are for maintenance and improvement of the City’s roads and streets; fund balance is restricted for that purpose.

The City reports the following major proprietary funds:

Enterprise Funds

Water Fund – The Water Fund accounts for the operation and maintenance of the City’s water intake, purification, and delivery system, which provides water services to residents. Primary revenues are user fees.

Sewer Fund – The Sewer Fund accounts for the operation and maintenance of the City’s wastewater collection and treatment system, which provides wastewater services to residents. Primary revenues are user fees.

Sewer System Development Fund – The Sewer System Development Fund is used to account for revenues and expenses attributable to construction of the wastewater collection and treatment systems. Primary revenues are system development charges.

Additionally, the City reports the following nonmajor governmental funds:

Capital Project Funds

Parks System Development Fund – The Parks System Development Fund is used to account for revenues and expenses attributable to construction of the parks system. Primary revenues are system development charges; fund balance is restricted for that purpose.

Transportation System Development Fund – The Transportation System Development Fund is used to account for revenues and expenses attributable to construction of the transportation system. Primary revenues are system development charges; fund balance is restricted for that purpose.

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Debt Service Fund

Debt Service Fund – The Debt Service Fund accounts for money reserved for payment of principal and interest on long-term obligations; fund balance is restricted for that purpose.

Additionally, the City reports the following nonmajor proprietary funds:

Water System Development Fund – The Water System Development Fund is used to account for revenues and expenses attributable to construction of the water collection and treatment systems. Primary revenues are system development charges; fund balance is restricted for that purpose.

Stormwater System Development Fund – The Stormwater System Development Fund is used to account for revenues and expenses attributable to construction of the stormwater system. Primary revenues are system development charges; fund balance is restricted for that purpose.

Stormwater Fund – The Stormwater Fund is used to account for revenues and expenses attributable to stormwater system operations. Primary revenues are system development charges; fund balance is restricted for that purpose.

Certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

Transfers between the funds included in governmental activities are eliminated, so that only the net amount is included as transfers in the governmental column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus within the limitations of the modified cash basis of accounting, as described below. Governmental fund financial statements are reported using the current financial resources measurement focus.

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Only current financial assets and liabilities are generally included on the balance sheet. The operating statements present sources and uses of available expendable financial resources during a given period. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt is reported as other financing source.

In the government-wide financial statements and the fund financial statements, governmental and business-type activities are presented using the modified cash basis of accounting. This basis recognizes assets, liabilities, fund balance/net position, revenues, and expenditures when they result from cash transactions, with a provision for depreciation in the government-wide statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenues for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in the financial statements.

If the City utilized the basis of accounting recognized as generally accepted, the fund financial statements would use the modified accrual basis of accounting and the government-wide financial statements would be presented on the accrual basis of accounting.

F. Budgetary Information

1. Budgetary Basis of Accounting

The City budgets all funds in accordance with the requirements of state law. Annual appropriated budgets are adopted for the general, special revenue, debt service, capital projects, and enterprise funds. All funds are budgeted on the modified cash basis of accounting.

The City begins its budgeting process by appointing budget committee members. The budget officer prepares a budget, which is reviewed by the budget committee. The budget is then published in proposed form and is presented at public hearings to obtain taxpayer comments and approval from the budget committee. The budget is legally adopted by the city council by resolution prior to the beginning of the City's fiscal year. The council resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total personnel services, materials and services, debt service, capital outlay, interfund transfers, and operating contingencies are the levels of control established by the resolution. The detailed budget document, however, is required to contain more specific detailed information for the aforementioned expenditure categories and management may revise the detailed line item budgets within appropriation categories.

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Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution. Supplemental budgets less than 10% of a fund's original budget may be adopted by the city council at a regular council meeting. A supplemental budget greater than 10% of a fund's original budget requires hearings before the public, publication in newspapers, and approval by the city council. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by the city council. During the year, there were no supplemental budgets. The City does not use encumbrances and appropriations lapse at year-end.

Budget amounts shown in the financial statements reflect the original budget amounts.

G. Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position/Fund Balance

1. Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2. Investments

State statutes authorize the government to invest in legally issued general obligations of the United States, the agencies and instrumentalities of the United States and the states of Oregon, Washington, Idaho, or California, certain interest-bearing bonds, time deposit open accounts, certificates of deposit, and savings accounts in banks, mutual savings banks, and savings and loan associations that maintain a head office or a branch in this state in the capacity of a bank, mutual savings bank, or savings and loan association, and share accounts and savings accounts in credit unions in the name of, or for the benefit of, a member of the credit union pursuant to a plan of deferred compensation.

3. Capital Assets

Capital assets resulting from cash transactions, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost where no historical records exist.

The costs of normal maintenance or repairs that do not add to the value of an asset or materially extend its life are charged to expenditures as incurred and are not capitalized. Major capital outlays for capital assets and improvements are capitalized as projects are constructed.

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Property, plant, and equipment of the City are depreciated using the straight-line method over the following estimated useful lives.

<u>Assets</u>	<u>Years</u>
Equipment	3-15
Sewer and water systems	10-20
Buildings and improvements	10-40
Parks and improvements	15-40
Infrastructure	20-50

4. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations arising from cash basis transactions are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bond using the bonds outstanding method. Bonds payable are reported net of the applicable bond premium or discount.

5. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

6. Fund Balance Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned, fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the government’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

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7. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The City council is the highest level of decision-making authority for the government that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The City council (council) has by resolution authorized the department managers to assign fund balance. The council may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The City reports fund equity in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance – amounts that are in nonspendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority (i.e. board of directors). To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest-level action to remove or change the constraint.
- Assigned fund balance – amounts that City intends to use for a specific purpose. Intent can be expressed by the board of directors or by an official or body to which the city council delegates authority.

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- Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

The City has not formally adopted a minimum fund balance policy.

H. Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

I. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as 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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes and other intentionally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

Property taxes attach as an enforceable lien on real property and are levied as of July 1st. The tax levy is divided into two billings: the first billing (mailed on July 1) is an estimate of the current year's levy based on prior year's taxes; the second billing (mailed on January 1) reflects adjustments to the current year's actual levy. The billings are considered past due 15 days after the respective billing date, at which time the applicable property is subject to lien, and penalties and interest are assessed.

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic remittances of collection to entities levying taxes. Property taxes are levied and become a lien as of July 1 on property values assessed as of June 30. Property taxes are payable in three installments, which are due on November 15, February 15, and May 15.

3. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary fund's principal ongoing operations.

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The principal operating revenues of the Sewer, Water, System Development, and Stormwater Funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues not meeting this definition are reported as nonoperating revenues and expenses.

II. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. Cash Deposits with Financial Institutions

The City of Donald maintains a cash and cash equivalents pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the fund financial statements as cash and cash equivalents. Additionally, several funds held separate cash accounts. Interest earned on pooled cash and investments is allocated to participating funds based upon their combined cash and investment balances.

Investments, including amounts held in pooled cash and investments, are stated at fair value. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, investments with a remaining maturity of more than one year at the time of purchase are stated at fair value.

The City participates in an external investment pool (State of Oregon Local Government Investment Pool). The Pool is not registered with the U.S. Securities and Exchange Commission as an investment company. The State's investment policies are governed by the Oregon Revised Statutes (ORC) and the Oregon Investment Council (OIC). The State Treasurer is the investment officer for the OIC and is responsible for all funds in the State Treasury. These funds are invested exercising reasonable care, skill, and caution. Investments in the Pool are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board, which established diversification percentages and specifies the types and maturities of investments.

The portion of the external investment pool which belongs to local government investment participants is reported in an Investment Trust Fund in the State's Annual Comprehensive Financial Report (ACFR). A copy of the State's ACFR may be obtained at the Oregon State Treasury, 350 Winter St. N.E., Salem, Oregon 97310-0840.

Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or price paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset.

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The classification of securities within the fair value hierarchy is based on the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

- *Level 1* – Unadjusted quoted prices for identical investments in active markets.
- *Level 2* – Observable inputs other than quoted market prices; and,
- *Level 3* – Unobservable inputs.

There were no transfers of assets or liabilities among the three levels of the fair value hierarchy for the year ended June 30, 2024.

Fair values of assets measured on a recurring basis at June 30, 2024 are as follows:

	Level 2
Investments:	
Oregon Local Government Investment Pool	\$ 2,878,184

Credit Risk

Oregon statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, bankers’ acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor’s Corporation or P-1 by Moody’s Commercial Paper Record, and the Local Government Investment Pool. The City has not adopted an investment policy regarding credit risk; however, investments comply with state statutes.

Investments

As of June 30, 2024, the City had the following investments:

	Credit Quality Rating	Maturities	Fair Value
Oregon Local Government Investment Pool	Unrated	-	\$ 2,878,184

Interest Rate Risk

The City does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increases in interest rates.

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Concentration of Credit Risk

The City does not have a formal policy that places a limit on the amount that may be invested in any one insurer. 100 percent of the City's investments are in the Oregon Local Government Investment Pool.

Custodial Credit Risk - Investments

This is the risk that, in the event of the failure of a counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. The City does not have a policy that limits the amount of investments that can be held by counterparties.

Custodial Credit Risk - Deposits

This is the risk that, in the event of a bank failure, the City's deposits may not be returned. All City deposits not covered by Federal Depository Insurance Corporation (FDIC) insurance are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon, organized in accordance with ORS 295. The PFCP is a shared liability structure for participating bank depositories.

Barring any exceptions, a bank depository is required to pledge collateral valued at a minimum of 10% of their quarter-end public fund deposits if they are considered well capitalized, 25% of their quarter-end public fund deposits if they are considered adequately capitalized, or 110% of their quarter-end public fund deposits if they are considered 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. The City holds accounts at US Bank, for which deposits are insured by the FDIC up to \$250,000. At June 30, 2024, the City had deposits of \$173,322 fully insured by the FDIC.

Deposits

The City's deposits and investments at June 30, 2024 are as follows:

Cash on hand	\$ 200
Checking accounts	162,065
Total investments	<u>2,878,184</u>
Total deposits and investments	<u>\$ 3,040,449</u>

CITY OF DONALD
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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

Cash and investments by fund:

Governmental activities - unrestricted	
General Fund	\$ 626,724
Business-type activities - unrestricted	
Water Fund	356,713
Sewer Fund	<u>881,497</u>
Total business-type deposits and investments	<u>1,238,210</u>
Subtotal unrestricted deposits and investments	1,864,934
Governmental activities - restricted	
Street Fund	109,245
Nonmajor Governmental Funds	<u>369,665</u>
Total governmental activities - restricted	<u>478,910</u>
Business-type activities - restricted	
Sewer System Development Fund	468,761
Nonmajor Enterprise Funds	<u>227,844</u>
Total business-type activities - restricted	<u>696,605</u>
Subtotal restricted deposits and investments	<u>1,175,515</u>
Total deposits and investments	<u><u>\$ 3,040,449</u></u>

Restricted cash is for street improvements, future payments of debt principal and interest, and future system development improvements.

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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

B. Capital Assets

Capital asset activity resulting from modified cash basis transactions for the year ended June 30, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land and improvements	\$ 29,000	\$ -	\$ -	\$ 29,000
Construction in progress	-	11,417	-	11,417
Total capital assets not being depreciated	29,000	11,417	-	40,417
Capital assets being depreciated				
Parks and improvements	144,959	-	-	144,959
Buildings and improvements	255,275	-	-	255,275
Equipment	6,168	-	-	6,168
Infrastructure	745,155	-	-	745,155
Total capital assets being depreciated	1,151,557	-	-	1,151,557
Less accumulated depreciation for				
Parks and improvements	(54,425)	(3,184)	-	(57,609)
Buildings and improvements	(77,952)	(6,222)	-	(84,174)
Equipment	(6,168)	-	-	(6,168)
Infrastructure	(82,390)	(38,156)	-	(120,546)
Total accumulated depreciation	(220,935)	(47,562)	-	(268,497)
Total capital assets being depreciated, net	930,622	(47,562)	-	883,060
Governmental activities capital assets, net	\$ 959,622	\$ (36,145)	\$ -	\$ 923,477

(continued)

CITY OF DONALD
Marion County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

(continued)	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets not being depreciated				
Land and improvements	\$ 18,492	\$ -	\$ -	\$ 18,492
Construction in progress	168,355	692,421	-	860,776
Total capital assets not being depreciated	186,847	692,421	-	879,268
Capital assets being depreciated				
Buildings and improvements	142,355	-	-	142,355
Equipment	227,212	-	-	227,212
Infrastructure	3,390,980	-	-	3,390,980
Total capital assets being depreciated	3,760,547	-	-	3,760,547
Less accumulated depreciation for				
Buildings and improvements	(88,792)	(4,240)	-	(93,032)
Equipment	(177,581)	(12,441)	-	(190,022)
Infrastructure	(2,185,492)	(73,549)	-	(2,259,041)
Total accumulated depreciation	(2,451,865)	(90,230)	-	(2,542,095)
Total capital assets being depreciated, net	1,308,682	(90,230)	-	1,218,452
Business-type activities capital assets, net	\$ 1,327,174	\$ (90,230)	\$ -	\$ 2,097,720

Capital assets are reported on the statement of net position as follows:

	Capital Assets	Accumulated Depreciation	Net Capital Assets
Governmental activities			
Land and improvements	\$ 29,000	\$ -	\$ 29,000
Construction in progress	11,417	-	11,417
Parks and improvements	144,959	(57,609)	87,350
Buildings and improvements	255,275	(84,174)	171,101
Equipment	6,168	(6,168)	-
Infrastructure	745,155	(120,546)	624,609
Total capital assets	\$ 1,191,974	\$ (268,497)	\$ 923,477

(continued)

CITY OF DONALD
Marion County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

(continued)	Capital Assets	Accumulated Depreciation	Net Capital Assets
Business-type activities			
Land and improvements	\$ 18,492	\$ -	\$ 18,492
Construction in progress	860,776	-	860,776
Buildings and improvements	142,355	(93,032)	49,323
Equipment	227,212	(190,022)	37,190
Infrastructure	3,390,980	(2,259,041)	1,131,939
Total capital assets	\$ 4,639,815	\$ (2,542,095)	\$ 2,097,720

For governmental activities, depreciation was not charged to specific functions or programs of the City. Capital assets of the City's governmental activities are for the use of the entire City and are therefore unallocated. Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities	
Unallocated depreciation expense	\$ 47,562
Business-type activities	
Water	\$ 36,082
Sewer	10,883
Stormwater	43,265
	\$ 90,230

C. Long-Term Liabilities

1. Changes in Long-Term Liabilities

The following is a summary of long-term liabilities arising from cash transactions for the year ended June 30, 2024:

	Interest Rate	Original Amount	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities							
US Bank Loan	3.29%	\$ 375,000	\$ 80,000	-	\$ 20,000	\$ 60,000	\$ 25,000

2. Governmental Activity Interest

Interest expense for governmental funds for the year ended June 30, 2024 amounted to \$2,981.

CITY OF DONALD
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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

3. Governmental Activity Future Maturities of Long-Term Debt

Year Ending June 30	US Bank Loan		
	Principal	Interest	Total
2025	\$ 25,000	\$ 2,320	\$ 27,320
2026	35,000	1,966	36,966
	<u>\$ 60,000</u>	<u>\$ 4,286</u>	<u>\$ 64,286</u>

4. Governmental Activities - US Bank Loan

On November 22, 2015, the City obtained a note payable with US Bank to refinance the City's General Obligation Bonds, Series 2005. Assets of the City are pledged as collateral. Interest on the note payable is fixed at 3.29%. Principal payments are due annually on February 1. Interest payments are due semiannually on February 1 and August 1. The Debt Service Fund has generally been used to liquidate the debt related to the US Bank loan. If the City is unable to make payment, the obligation contains an event of default; the lender may increase the interest rate to 5% per annum, plus the interest rate otherwise payable under the note.

D. Interfund Transfers

Interfund transfers during the year consisted of:

	<u>Transfers In:</u> Governmental activities
	<u>General Fund</u>
Transfers out:	
Business-type activities	
Water Fund	\$ 11,540
Sewer Fund	11,540
Total	<u>\$ 23,080</u>

The primary purpose of interfund transfers was to cover administrative costs.

III. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. There was no significant reduction in insurance coverage from the previous year. There were no insurance settlements exceeding insurance coverage in any of the past three years.

CITY OF DONALD
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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

B. Retirement Plans

1. MissionSquare Retirement (formerly ICMA Retirement Corporation) Governmental Money Purchase Plan and Trust

General Information about the Pension Plan

Plan Description

The MissionSquare Retirement Plan is a single-employer defined contribution plan administered through MissionSquare Retirement. Currently, the City contributes 12% of earnings for each participant of the plan.

Funding Policy

The benefits from the plan are fully paid, and consequently, no contributions by employees are required. There is no obligation to fund these benefits in advance, and the only obligation is to make current benefit payments due each fiscal year. Employer contributions for each plan year are required to be contributed to the trust no later than the 15th day, of the tenth calendar month, following the end of the fiscal year.

Each participant may make voluntary (unmatched) contributions to the plan, subject to limitations. Vesting provisions are defined as 50% after one year of service and 100% after two years of service. Pension expense for the year ended June 30, 2024 was \$46,859. Funds accumulated under this plan are held in trust for the exclusive benefit of the participants. Accordingly, the plan assets are not included in the City's modified cash basis financial statements.

C. New Pronouncements

For the fiscal year ended June 30, 2024, the City implemented the following new accounting standards:

GASB Statement No. 100, Accounting Changes and Error Corrections. This statement was issued in June 2022 to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

The City will implement applicable new GASB pronouncements no later than the required fiscal year. Management has not determined the effect on the financial statements for implementing any of the following pronouncements:

GASB Statement No. 102, *Certain Risk Disclosures*. This statement will improve reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. This statement is effective for fiscal years beginning after June 15, 2024.

D. Commitments

During the year ended June 30, 2024, the City entered into an agreement with Natural Structures for the Gazebo Project with a total purchase price of \$ \$22,833, of which \$11,417 remained committed at year end.

E. Subsequent Events

Management has evaluated subsequent events through September 24, 2024, which was the date that the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

CITY OF DONALD
Marion County, Oregon

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL - MODIFIED CASH BASIS

GENERAL FUND

For the Year Ended June 30, 2024

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual Budget Basis
REVENUES			
Property taxes	\$ 121,080	\$ 9,174	\$ 130,254
Franchise fees	73,200	27,068	100,268
Licenses and permits	87,625	(29,103)	58,522
Intergovernmental	52,830	(20,025)	32,805
Grants and contributions	36,150	(20,775)	15,375
Interest	7,480	28,178	35,658
Miscellaneous	100	3,698	3,798
Total revenues	378,465	(1,785)	376,680
EXPENDITURES			
Current			
General government	257,925	(73,295)	184,630
Planning and building	95,300	(66,490)	28,810
Public safety	56,600	(43,686)	12,914
Parks	54,565	(15,868)	38,697
Community development	255,969	(142,958)	113,011
Contingency	95,000	(95,000)	-
Total expenditures	815,359	(437,297)	378,062
Excess (deficiency) of revenues over (under) expenditures	(436,894)	435,512	(1,382)
OTHER FINANCING SOURCES (USES)			
Transfers in	23,080	-	23,080
Net change in fund balance	(413,814)	435,512	21,698
Fund balance - beginning	564,135	34,981	599,116
Fund balance - ending	\$ 150,321	\$ 470,493	\$ 620,814

CITY OF DONALD
Marion County, Oregon

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL - MODIFIED CASH BASIS

STREET FUND

For the Year Ended June 30, 2024

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual Budget Basis
REVENUES			
Intergovernmental	\$ 82,495	\$ (3,597)	\$ 78,898
Charges for services	14,950	(123)	14,827
Grants and contributions	-	50,000	50,000
Interest	1,270	325	1,595
Miscellaneous	50	3,036	3,086
Total revenues	98,765	49,641	148,406
EXPENDITURES			
Current			
Street Operations	89,762	(89,762)	66,117
Contingency	35,000	(35,000)	-
Total expenditures	124,762	(58,645)	66,117
Excess (deficiency) of revenues over (under) expenditures	(25,997)	108,286	82,289
Fund balance - beginning	63,571	(36,615)	26,956
Fund balance - ending	\$ 37,574	\$ 71,671	\$ 109,245

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

CITY OF DONALD
Marion County, Oregon

COMBINING BALANCE SHEET - MODIFIED CASH BASIS

NONMAJOR GOVERNMENTAL FUNDS

June 30, 2024

	Capital Project Funds			Total Nonmajor Governmental Funds
	Parks System Development Fund	Transportation System Development Fund	Debt Service Fund	
ASSETS				
Cash and cash equivalents	\$ 78,270	\$ 286,326	\$ 5,069	\$ 369,665
FUND BALANCES				
Restricted for:				
Parks	\$ 78,270	\$ -	\$ -	\$ 78,270
Transportation	-	286,326	-	286,326
Debt service	-	-	5,069	5,069
Total fund balances	\$ 78,270	\$ 286,326	\$ 5,069	\$ 369,665

CITY OF DONALD
Marion County, Oregon

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
FUND BALANCES - MODIFIED CASH BASIS

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended June 30, 2024

	Capital Project Funds		Debt Service Fund	Total Nonmajor Enterprise Funds
	Parks System Development Fund	Transportation System Development Fund		
REVENUES				
Property taxes	\$ -	\$ -	\$ 23,612	\$ 23,612
Charges for services	65,556	247,952	-	313,508
Interest income	<u>710</u>	<u>2,144</u>	<u>248</u>	<u>3,102</u>
Total revenues	<u>66,266</u>	<u>250,096</u>	<u>23,860</u>	<u>340,222</u>
EXPENDITURES				
Debt service	<u>-</u>	<u>-</u>	<u>22,981</u>	<u>22,981</u>
Excess (deficiency) of revenues over (under) expenditures	66,266	250,096	879	317,241
Fund balances - beginning	<u>12,004</u>	<u>36,230</u>	<u>4,190</u>	<u>52,424</u>
Fund balances - ending	<u>\$ 78,270</u>	<u>\$ 286,326</u>	<u>\$ 5,069</u>	<u>\$ 369,665</u>

CITY OF DONALD
Marion County, Oregon

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION -
 BUDGET AND ACTUAL - MODIFIED CASH BASIS

PARKS SYSTEM DEVELOPMENT FUND

For the Year Ended June 30, 2024

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual Budget Basis
REVENUES			
Charges for services	\$ 1,593	\$ 63,963	\$ 65,556
Interest	160	550	710
Total revenues	1,753	64,513	66,266
EXPENDITURES			
	-	-	-
Excess (deficiency) of revenues over (under) expenditures	1,753	64,513	66,266
Fund balance - beginning	13,522	(1,518)	12,004
Fund balance - ending	\$ 15,275	\$ 62,995	\$ 78,270

CITY OF DONALD
Marion County, Oregon

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION -
 BUDGET AND ACTUAL - MODIFIED CASH BASIS

TRANSPORTATION SYSTEM DEVELOPMENT FUND

For the Year Ended June 30, 2024

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual Budget Basis
REVENUES			
Charges for services	\$ 3,201	\$ 244,751	\$ 247,952
Interest	540	1,604	2,144
Total revenues	3,741	246,355	250,096
EXPENDITURES			
	-	-	-
Excess (deficiency) of revenues over (under) expenditures	3,741	246,355	250,096
Fund balance - beginning	39,192	(2,962)	36,230
Fund balance - ending	\$ 42,933	\$ 243,393	\$ 286,326

CITY OF DONALD
Marion County, Oregon

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL - MODIFIED CASH BASIS

DEBT SERVICE FUND

For the Year Ended June 30, 2024

	<u>Original and Final Budget</u>	<u>Variance with Final Budget Over (Under)</u>	<u>Actual Budget Basis</u>
REVENUES			
Property taxes	\$ 23,916	\$ (304)	\$ 23,612
Interest	<u>20</u>	<u>228</u>	<u>248</u>
Total revenues	<u>23,936</u>	<u>(76)</u>	<u>23,860</u>
EXPENDITURES			
Debt service	<u>22,982</u>	<u>(1)</u>	<u>22,981</u>
Excess (deficiency) of revenues over (under) expenditures	954	(75)	879
Fund balance - beginning	<u>1,366</u>	<u>2,824</u>	<u>4,190</u>
Fund balance - ending	<u><u>\$ 2,320</u></u>	<u><u>\$ 2,749</u></u>	<u><u>\$ 5,069</u></u>

CITY OF DONALD
Marion County, Oregon

COMBINING STATEMENT OF NET POSITION - MODIFIED CASH BASIS

NONMAJOR ENTERPRISE FUNDS

June 30, 2024

	Water System Development Fund	Stormwater System Development Fund	Stormwater Fund	Total Nonmajor Enterprise Funds
ASSETS				
Restricted assets				
Cash and cash equivalents	\$ 72,521	\$ 148,981	\$ 6,342	\$ 227,844
Capital assets being depreciated, net	<u>451,350</u>	<u>-</u>	<u>-</u>	<u>451,350</u>
Total assets	<u>523,871</u>	<u>148,981</u>	<u>6,342</u>	<u>679,194</u>
NET POSITION				
Net investment in capital assets	451,350	-	-	451,350
Restricted for system development	<u>72,521</u>	<u>148,981</u>	<u>6,342</u>	<u>227,844</u>
Total net position	<u>\$ 523,871</u>	<u>\$ 148,981</u>	<u>\$ 6,342</u>	<u>\$ 679,194</u>

CITY OF DONALD
Marion County, Oregon

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND
NET POSITION - MODIFIED CASH BASIS

NONMAJOR ENTERPRISE FUNDS

For the Year Ended June 30, 2024

	Water System Development Fund	Stormwater System Development Fund	Stormwater Fund	Total Nonmajor Enterprise Funds
OPERATING INCOME				
Charges for services	\$ 48,143	\$ 120,914	\$ 4,943	\$ 174,000
OPERATING EXPENSES				
Repairs and maintenance	-	-	1,500	1,500
Depreciation	43,265	-	-	43,265
Total operating expenses	43,265	-	1,500	44,765
Operating income (loss)	4,878	120,914	3,443	129,235
NONOPERATING REVENUES (EXPENSES)				
Interest income	1,362	1,568	162	3,092
Total nonoperating revenues (expenses)	1,362	1,568	162	3,092
Income (loss) before contributions and transfers	6,240	122,482	3,605	132,327
Total net position - beginning	517,631	26,499	2,737	546,867
Total net position - ending	<u>\$ 523,871</u>	<u>\$ 148,981</u>	<u>\$ 6,342</u>	<u>\$ 679,194</u>

CITY OF DONALD
Marion County, Oregon

COMBINING STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS

NONMAJOR ENTERPRISE FUNDS

For the Year Ended June 30, 2024

	Water System Development Fund	Stormwater System Development Fund	Stormwater Fund	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 48,143	\$ 120,914	\$ 4,943	\$ 174,000
Payments to vendors	<u>-</u>	<u>-</u>	<u>(1,500)</u>	<u>(1,500)</u>
Net cash provided (used) by operating activities	<u>48,143</u>	<u>120,914</u>	<u>3,443</u>	<u>172,500</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	<u>1,362</u>	<u>1,568</u>	<u>162</u>	<u>3,092</u>
Net cash provided (used) by investing activities	<u>1,362</u>	<u>1,568</u>	<u>162</u>	<u>3,092</u>
Net increase (decrease) in cash and cash equivalents	49,505	122,482	3,605	175,592
Cash and cash equivalents - beginning	<u>23,016</u>	<u>26,499</u>	<u>2,737</u>	<u>52,252</u>
Cash and cash equivalents - ending	<u><u>\$ 72,521</u></u>	<u><u>\$ 148,981</u></u>	<u><u>\$ 6,342</u></u>	<u><u>\$ 227,844</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 4,878	\$ 120,914	\$ 3,443	\$ 129,235
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	<u>43,265</u>	<u>-</u>	<u>-</u>	<u>43,265</u>
Net cash provided (used) by operating activities	<u><u>\$ 48,143</u></u>	<u><u>\$ 120,914</u></u>	<u><u>\$ 3,443</u></u>	<u><u>\$ 172,500</u></u>

CITY OF DONALD
Marion County, Oregon

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION -
BUDGET AND ACTUAL - MODIFIED CASH BASIS

WATER FUND

For the Year Ended June 30, 2024

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual		Modified Cash Basis
			Budget Basis	Adjustments	
REVENUES					
Charges for services	\$ 399,600	\$ 52,066	\$ 451,666	\$ -	\$ 451,666
Grants and contributions	877,000	(288,215)	588,785	-	588,785
Interest	3,780	11,782	15,562	-	15,562
Miscellaneous	200	490	690	-	690
Total revenues	<u>1,280,580</u>	<u>(223,877)</u>	<u>1,056,703</u>	<u>-</u>	<u>1,056,703</u>
EXPENDITURES					
Operations	1,367,539	(416,140)	951,399	(599,528)	351,871
Depreciation	-	-	-	36,082	36,082
Contingency	9,476	(9,476)	-	-	-
Total expenditures	<u>1,377,015</u>	<u>(425,616)</u>	<u>951,399</u>	<u>(563,446)</u>	<u>387,953</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(96,435)</u>	<u>201,739</u>	<u>105,304</u>	<u>563,446</u>	<u>668,750</u>
OTHER FINANCING					
SOURCES (USES)					
Transfers in	-	-	-	92,893	92,893
Transfers out	(11,540)	-	(11,540)	-	(11,540)
Total other financing sources (uses)	<u>(11,540)</u>	<u>-</u>	<u>(11,540)</u>	<u>92,893</u>	<u>81,353</u>
Net change in fund balance	(107,975)	201,739	93,764	656,339	750,103
Total net position - beginning	<u>253,952</u>	<u>8,997</u>	<u>262,949</u>	<u>938,333</u>	<u>1,201,282</u>
Total net position - ending	<u>\$ 145,977</u>	<u>\$ 210,736</u>	<u>\$ 356,713</u>	<u>\$ 1,594,672</u>	<u>\$ 1,951,385</u>

CITY OF DONALD
Marion County, Oregon

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION -
BUDGET AND ACTUAL - MODIFIED CASH BASIS

SEWER FUND

For the Year Ended June 30, 2024

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual		Modified Cash Basis
			Budget Basis	Adjustments	
REVENUES					
Charges for services	\$ 425,500	\$ 183,222	\$ 608,722	\$ -	\$ 608,722
Interest	9,840	30,093	39,933	-	39,933
Rental income	22,850	-	22,850	-	22,850
Miscellaneous	200	549	749	-	749
	<u>458,390</u>	<u>213,864</u>	<u>672,254</u>	<u>-</u>	<u>672,254</u>
Total revenues					
EXPENDITURES					
Operations	527,687	(73,718)	453,969	-	453,969
Depreciation	-	-	-	10,883	10,883
Contingency	135,000	(135,000)	-	-	-
	<u>662,687</u>	<u>(208,718)</u>	<u>453,969</u>	<u>10,883</u>	<u>464,852</u>
Total expenditures					
Excess (deficiency) of revenues over (under) expenditures	<u>(204,297)</u>	<u>422,582</u>	<u>218,285</u>	<u>(10,883)</u>	<u>207,402</u>
OTHER FINANCING					
SOURCES (USES)					
Gain on sale of assets	11,500	(11,500)	-	-	-
Transfers out	(11,540)	-	(11,540)	-	(11,540)
	<u>(40)</u>	<u>(11,500)</u>	<u>(11,540)</u>	<u>-</u>	<u>(11,540)</u>
Total other financing sources (uses)					
Net change in fund balance	(204,337)	411,082	206,745	(10,883)	195,862
Total net position - beginning	<u>643,709</u>	<u>31,043</u>	<u>674,752</u>	<u>62,581</u>	<u>737,333</u>
Total net position - ending	<u>\$ 439,372</u>	<u>\$ 442,125</u>	<u>\$ 881,497</u>	<u>\$ 51,698</u>	<u>\$ 933,195</u>

CITY OF DONALD
Marion County, Oregon

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION -
 BUDGET AND ACTUAL - MODIFIED CASH BASIS

SEWER SYSTEM DEVELOPMENT FUND

For the Year Ended June 30, 2024

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual		Modified Cash Basis
			Budget Basis	Adjustments	
REVENUES					
Charges for services	\$ 23,521	\$ 133,355	\$ 156,876	\$ -	\$ 156,876
Interest	4,550	12,877	17,427	-	17,427
Grants and contributions	-	-	-	-	-
Total revenues	<u>28,071</u>	<u>146,232</u>	<u>174,303</u>	<u>-</u>	<u>174,303</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	28,071	146,232	174,303	-	174,303
Total net position - beginning	<u>294,465</u>	<u>(7)</u>	<u>294,458</u>	<u>-</u>	<u>294,458</u>
Total net position - ending	<u>\$ 322,536</u>	<u>\$ 146,225</u>	<u>\$ 468,761</u>	<u>\$ -</u>	<u>\$ 468,761</u>

CITY OF DONALD
Marion County, Oregon

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION -
BUDGET AND ACTUAL - MODIFIED CASH BASIS

WATER SYSTEM DEVELOPMENT FUND

For the Year Ended June 30, 2024

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual		Modified Cash Basis
			Budget Basis	Adjustments	
REVENUES					
Charges for services	\$ 2,994	\$ 45,149	\$ 48,143	\$ -	\$ 48,143
Interest	<u>225</u>	<u>1,137</u>	<u>1,362</u>	<u>-</u>	<u>1,362</u>
Total revenues	3,219	46,286	49,505	-	49,505
EXPENDITURES					
Depreciation	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,265</u>	<u>43,265</u>
Excess (deficiency) of revenues over (under) expenditures	3,219	46,286	49,505	(43,265)	6,240
Total net position - beginning	<u>23,742</u>	<u>(726)</u>	<u>23,016</u>	<u>494,615</u>	<u>517,631</u>
Total net position - ending	<u>\$ 26,961</u>	<u>\$ 45,560</u>	<u>\$ 72,521</u>	<u>\$ 451,350</u>	<u>\$ 523,871</u>

CITY OF DONALD
Marion County, Oregon

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION -
 BUDGET AND ACTUAL - MODIFIED CASH BASIS

STORMWATER SYSTEM DEVELOPMENT FUND

For the Year Ended June 30, 2024

	Original and Final Budget	Variance with Final Budget Over (Under)	Budget Basis	Actual Adjustments	Modified Cash Basis
REVENUES					
Charges for services	\$ 852	\$ 120,062	\$ 120,914	\$ -	\$ 120,914
Interest	380	1,188	1,568	-	1,568
Total revenues	1,232	121,250	122,482	-	122,482
EXPENDITURES	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	1,232	121,250	122,482	-	122,482
Total net position - beginning	27,304	(805)	26,499	-	26,499
Total net position - ending	\$ 28,536	\$ 120,445	\$ 148,981	\$ -	\$ 148,981

CITY OF DONALD
Marion County, Oregon

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION -
BUDGET AND ACTUAL - MODIFIED CASH BASIS

STORMWATER FUND

For the Year Ended June 30, 2024

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual		Modified Cash Basis
			Budget Basis	Adjustments	
REVENUES					
Charges for services	\$ 4,838	\$ 105	\$ 4,943	\$ -	\$ 4,943
Interest	45	117	162	-	162
Miscellaneous	25	(25)	-	-	-
Total revenues	<u>4,908</u>	<u>197</u>	<u>5,105</u>	<u>-</u>	<u>5,105</u>
EXPENDITURES					
Operations	3,550	(2,050)	1,500	-	1,500
Contingency	500	(500)	-	-	-
Total expenditures	<u>4,050</u>	<u>(2,550)</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Excess (deficiency) of revenues over (under) expenditures	858	2,747	3,605	-	3,605
Total net position - beginning	<u>2,692</u>	<u>45</u>	<u>2,737</u>	<u>-</u>	<u>2,737</u>
Total net position - ending	<u>\$ 3,550</u>	<u>\$ 2,792</u>	<u>\$ 6,342</u>	<u>\$ -</u>	<u>\$ 6,342</u>

**AUDIT COMMENTS AND DISCLOSURES REQUIRED BY
STATE REGULATIONS**



INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

The Honorable Rick Olmsted, Mayor
and Members of the City Council
City of Donald
Donald, Oregon 97020

We have audited the basic financial statements of the City of Donald as of and for the year ended June 30, 2024 and have issued our report thereon dated September 24, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the City of Donald's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes, as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

Deposit of public funds with financial institutions (ORS Chapter 295)

Indebtedness limitations, restrictions, and repayment

Budgets legally required (ORS Chapter 294)

Insurance and fidelity bonds in force or required by law

Programs funded from outside sources

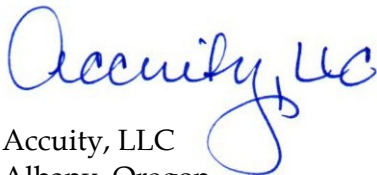
Highway revenues used for public highways, roads, and streets

Authorized investment of surplus funds (ORS Chapter 294)

Public contracts and purchasing (ORS Chapters 279A, 279B, 279C)

In connection with our testing, nothing came to our attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, contracts, and grants, including the provisions of Oregon Revised Statutes, as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

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



Accuity, LLC
Albany, Oregon
September 24, 2024