

CITY OF MAYWOOD PARK
MULTNOMAH COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023



12700 SW 72nd Ave.
Tigard, OR 97223

**CITY OF MAYWOOD PARK
MULTNOMAH COUNTY, OREGON**

CASH BASIS BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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CITY OF MAYWOOD PARK
MULTNOMAH COUNTY, OREGON

2022-2023 FINANCIAL REPORT

<u>Mayor and City Council</u>	<u>TERM EXPIRES</u>
Michelle Montross, Mayor	January 2025
Michael L. Reynolds, Sr., Council President	January 2027
Miriam Berman	January 2025
Robin Wisner, Sr.	January 2025
Jim Akers	January 2025

All Councilors receive their mail at the address listed below.

ADMINISTRATIVE

Dalene Bloom, Director of Finance/City Recorder (Registered Agent)
Jeff Steffen, City Attorney

10100 NE Prescott, Suite 147
Maywood Park, OR 97220

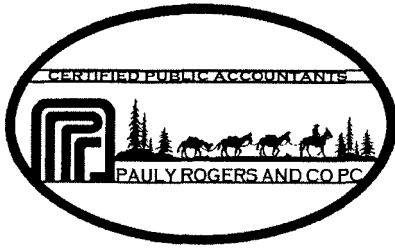
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CITY OF MAYWOOD PARK
MULTNOMAH COUNTY, OREGON

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December 19, 2023

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the Council
City of Maywood Park
Multnomah County, Oregon

Opinions

We have audited the accompanying cash basis basic financial statements of the governmental activities, each major fund and other fund information of the City of Maywood Park (City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the cash basis basic financial statements as listed in the table of contents.

In our opinion, the cash basis basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and other fund information of the City as of June 30, 2023 and the respective changes in financial position for the year then ended in accordance with the basis of accounting described in Note 1-C.

Basis for Opinions

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' 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 Note 1-C of the financial statements, which describes the basis of accounting. The basic financial statements are prepared on the 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 these cash basis basic financial statements in accordance with the cash basis of accounting described in Note 1: this included determining the cash basis is an acceptable basis for the presentation of the basic 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 the cash basis basic financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the cash basis basic financial statements, management is required to evaluate whether 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the cash basis basic financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 cash basis basic 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 basic 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 cash basis basic 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 cash basis basic 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 an opinion on the basic financial statements that collectively comprise the cash basis basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the cash basis basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the cash basis basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the cash basis 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 cash basis basic financial statements or to the cash basis 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 supplementary information is fairly stated, in all material respects, in relation to the cash basis basic financial statements as a whole, except for the management's discussion and analysis, which has not been subjected to the auditing procedures applied to the audit of the cash basis basic financial statements and we do not express an opinion or provide any assurance on it.

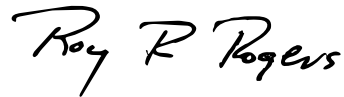
Other Information

Management is responsible for the other information included in the annual report. The other information is comprised of the listing of board members located before the table of contents, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the cash basis basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the cash basis basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 19, 2023, on our consideration of 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.

A handwritten signature in black ink that reads "Roy R. Rogers". The signature is written in a cursive style with a large, prominent "R" and "R".

ROY R. ROGERS, CPA
PAULY, ROGERS AND CO., P.C.

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**CITY OF MAYWOOD PARK
MULTNOMAH COUNTY, OREGON
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)**

This section of the City of Maywood Park’s annual financial report presents our discussion and analysis of the City’s financial performance during the fiscal year ended June 30, 2023. Please read it in conjunction with the City’s financial statements and notes, which follow this section.

- **FINANCIAL HIGHLIGHTS**

- The City’s total net position was \$483,498 at June 30, 2023.
- During the year, the City’s net position increased by \$82,402.
- The general fund reported an ending fund balance this year of \$308,082.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report is prepared by the City using the concepts in the Governmental Accounting Standards Board Statement No. 34 (GASB 34), which sets reporting standards for governmental units under generally accepted accounting principles (GAAP). However, the City’s financial statements are not prepared under GAAP, but have been prepared on the cash basis of accounting described in Note 1 to the basic financial statements. Accordingly, the City’s financial statements do not include all of the statements, reconciliations and disclosures that would normally be required by GASB 34.

Management has determined that the cash basis of accounting is appropriate for the City due to its lack of complexity and the necessity to account for, and plan for, the cash needed to operate the City.

This annual report consists of three parts: *management’s discussion and analysis* (this section), the *basic financial statements*, and *supplementary information*. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that provide information about the City’s overall financial status.
- The remaining statements are *governmental fund financial statements* that focus on *individual parts* of the City, reporting the operations in more detail than the government-wide statements. *The governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.

The basic financial statements also include notes that explain some of the information in the basic financial statements and provide more detailed data. The statements are followed by a section of *supplementary information* that further explains and supports the information in the basic financial statements. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

- **Government-wide Statements**

The City only provides “governmental activities” as defined in GASB 34, and has no substantial business-type activities. The City has only five funds, and three are considered to be major funds under the provisions of GASB 34. The other funds, the Wastewater System Reserve Fund and Failing Street Property Redevelopment Reserves Fund, are combined with the General Fund’s activities in accordance with the provisions of GASB 54.

- **Fund Financial Statements**

The fund financial statements provide more detailed information about the City's *funds* - not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

The basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs.

- **FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**

GOVERNMENT-WIDE NET POSITION - CASH BASIS		
	<u>2023</u>	<u>2022</u>
ASSETS:		
Cash and Investments	\$ 483,498	\$ 401,096
Total Assets	<u>483,498</u>	<u>401,096</u>
NET POSITION		
Restricted for Street Fund	65,641	70,797
Restricted for Storm Drain	109,775	108,042
Unrestricted	308,082	222,257
Total Net Position	<u>\$ 483,498</u>	<u>\$ 401,096</u>
STATEMENT OF ACTIVITIES - CASH BASIS		
	<u>2023</u>	<u>2022</u>
RECEIPTS:		
General Receipts		
Property Taxes	145,793	142,415
Cigarette Tax	608	651
OLCC Tax	16,380	13,346
Permits, Licenses and Fees	137	120
Oregon Marijuana Tax	1,070	775
State Tax	64,774	63,087
County Heavy Eq Rental tax	128	213
Reimbursements	2,491	2,915
Franchise Fees	59,341	57,044
ARPA Funds	94,288	94,288
Earnings on Investments	290	115
Revenue sharing	9,447	8,956
Miscellaneous	-	294
Total Receipts	<u>394,747</u>	<u>384,219</u>
DISBURSEMENTS:		
General Government	211,402	307,419
Street	100,943	123,746
Total Disbursements	<u>312,345</u>	<u>431,165</u>
Change in Net Position	82,402	(46,946)
Beginning Net Position	<u>401,096</u>	<u>448,042</u>
Ending Net Position	<u>\$ 483,498</u>	<u>\$ 401,096</u>

The main sources of receipts are franchise fees, property taxes, and turnovers from the State of Oregon. The main disbursements are maintenance for City streets and paths, Police Patrols and City operations.

- **FINANCIAL ANALYSIS OF THE CITY’S FUNDS**

Governmental fund balances totaled \$483,498 at June 30, 2023. A summary of changes in governmental fund balances follows:

CHANGES IN GOVERNMENTAL FUND BALANCES

	June 30, 2023	June 30, 2022	Change
General Fund	\$ 308,082	\$ 222,257	\$ 85,825
Street Fund	65,641	70,797	(5,156)
Storm Drain Reserve Fund	109,775	108,042	1,733
 Total	 \$ 483,498	 \$ 401,096	 \$ 82,402

- **CAPITAL ASSETS**

At June 30, 2023, the City had \$356,261 invested in capital assets. More detailed information about the City’s capital assets is presented in the notes to the basic financial statements.

- **LONG TERM DEBT**

At June 30, 2023, there was no outstanding debt.

- **CONTACTING THE CITY’S FINANCIAL MANAGEMENT**

Our financial report is designed to provide our taxpayers, ratepayers, investors and creditors with an overview of the City’s finances. If you have any questions about this report or need any clarification of information please contact the City of Maywood Park. Our address is: 10100 NE Prescott St. Suite 147, Maywood Park, OR 97220.

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**CITY OF MAYWOOD PARK
MULTNOMAH COUNTY, OREGON**

BASIC FINANCIAL STATEMENTS

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CITY OF MAYWOOD PARK
MULTNOMAH COUNTY, OREGON

STATEMENT OF NET POSITION – CASH BASIS
June 30, 2023

ASSETS:

Cash and Investments	\$ 483,498
	<hr/>
Total Assets	\$ 483,498
	<hr/> <hr/>

NET POSITION:

Restricted for:	
Street	\$ 65,641
Storm Drain Reserve	109,775
Unrestricted	<hr/> 308,082
	<hr/>
Total Net Position	\$ 483,498
	<hr/> <hr/>

See accompanying notes to basic financial statements

**CITY OF MAYWOOD PARK
MULTNOMAH COUNTY, OREGON**

**STATEMENT OF ACTIVITIES – CASH BASIS
For the Year Ended June 30, 2023**

FUNCTIONS	PROGRAM CASH RECEIPTS			NET (DISBURSEMENTS) RECEIPTS AND CHANGES IN NET POSITION
	DISBURSEMENTS	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
General Government	\$ 211,402	\$ 137	\$ -	\$ (211,265)
Street	100,943	-	-	(100,943)
Total Governmental Activities	<u>\$ 312,345</u>	<u>\$ 137</u>	<u>\$ -</u>	<u>(312,208)</u>
General Receipts				
Taxes:				
Property Tax				145,793
Cigarette Tax				608
Alcoholic Beverage Tax				16,380
Oregon Marijuana Tax				1,070
State Highway Revenue				64,774
County Heavy Eq Rental Tax				128
Reimbursements				2,491
Franchise Fees				59,341
ARPA Funds				94,288
Earnings on Investments				290
Revenue Sharing				9,447
Total General Receipts				<u>394,610</u>
Changes in Net Position				82,402
Net Position – Beginning				<u>401,096</u>
Net Position – Ending				<u>\$ 483,498</u>

See accompanying notes to basic financial statements

CITY OF MAYWOOD PARK
MULTNOMAH COUNTY, OREGON

BALANCE SHEET – CASH BASIS
 GOVERNMENTAL FUNDS

June 30, 2023

	<u>SPECIAL REVENUE FUNDS</u>			<u>TOTAL</u>
	<u>GENERAL FUND</u>	<u>STREET FUND</u>	<u>STORM DRAIN RESERVE FUND</u>	
ASSETS:				
Cash and Investments	\$ 290,125	\$ 65,319	\$ 128,054	\$ 483,498
Due from Other Funds	87,016	322	-	87,338
Total Assets	<u>\$ 377,141</u>	<u>\$ 65,641</u>	<u>\$ 128,054</u>	<u>\$ 570,836</u>
LIABILITIES:				
Due to Other Funds	\$ 69,059	\$ -	\$ 18,279	\$ 87,338
Total Liabilities	<u>69,059</u>	<u>-</u>	<u>18,279</u>	<u>87,338</u>
FUND BALANCE – CASH BASIS:				
Restricted	-	65,641	109,775	175,416
Assigned to Wastewater System Reserves Fund	79,925	-	-	79,925
Assigned to Failing Street Fund	43,985	-	-	43,985
Unassigned	184,172	-	-	184,172
Total Fund Balance - Cash Basis	<u>308,082</u>	<u>65,641</u>	<u>109,775</u>	<u>483,498</u>
Total Liabilities and Fund Balance– Cash Basis	<u>\$ 377,141</u>	<u>\$ 65,641</u>	<u>\$ 128,054</u>	<u>\$ 570,836</u>

See accompanying notes to basic financial statements

CITY OF MAYWOOD PARK
MULTNOMAH COUNTY, OREGON

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCES – CASH BASIS – ALL FUNDS
For the Year Ended June 30, 2023

	GENERAL FUND	STREET FUND	STORM DRAIN RESERVE FUND	TOTAL
RECEIPTS:				
City Franchise Fees	\$ 59,341	\$ -	\$ -	\$ 59,341
Alcoholic Beverage Tax	16,380	-	-	16,380
Cigarette Tax	608	-	-	608
Permits, Licenses and Fees	137	-	-	137
Earnings on Investments	65	213	12	290
Oregon Marijuana Tax	1,070	-	-	1,070
State Highway Revenue	-	64,774	-	64,774
Reimbursements	2,491	-	-	2,491
County Heavy Eq Rental Tax	128	-	-	128
ARPA Funds	94,288	-	-	94,288
Property Tax Revenue	145,793	-	-	145,793
Revenue Sharing	9,447	-	-	9,447
Total Receipts	329,748	64,987	12	394,747
DISBURSEMENTS:				
Personnel Services	46,325	-	-	46,325
Materials and Services	86,037	60,410	18,279	164,726
Public Safety	48,042	-	-	48,042
Capital Outlay	12,719	40,533	-	53,252
Total Disbursements	193,123	100,943	18,279	312,345
Excess of Receipts Over, (Under) Disbursements	136,625	(35,956)	(18,267)	82,402
OTHER FINANCING SOURCES/(USES):				
Transfers In	114,400	42,200	20,000	176,600
Transfers Out	(165,200)	(11,400)	-	(176,600)
Total Other Financing Sources/(Uses):	(50,800)	30,800	20,000	-
Net Change in Fund Balance – Cash Basis	85,825	(5,156)	1,733	82,402
Beginning Fund Balance – Cash Basis	222,257	70,797	108,042	401,096
Ending Fund Balance – Cash Basis	\$ 308,082	\$ 65,641	\$ 109,775	\$ 483,498

See accompanying notes to basic financial statements

CITY OF MAYWOOD PARK
MULTNOMAH COUNTY, OREGON

NOTES TO
BASIC FINANCIAL STATEMENTS

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**CITY OF MAYWOOD PARK
MULTNOMAH COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements have been prepared in conformity with the cash basis of accounting as applied to government units. 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 accounting policies are described below.

A. THE FINANCIAL REPORTING ENTITY

The City of Maywood Park (the City) is a municipal corporation governed by an elected council. The City was organized under provisions of Oregon Statutes Chapter 221 for the purpose of providing governmental services to the residents of the City of Maywood Park (the Primary government) and any component units. Component units, as established by GASB Statement 61, are separate organizations that are included in the City's reporting because of the significance of their operational or financial relationships with the City. There are no component units.

B. BASIS OF PRESENTATION – FUND ACCOUNTING

Financial operations are accounted for in the following funds. For purposes of this report the following funds are considered major:

General Fund

This fund accounts for all financial receipts and disbursements, except those required to be accounted for in another fund. The principle source of receipts are property taxes and franchise fees.

Street Fund

This fund accounts for receipts and disbursements of the road maintenance program. The principle source of receipts is the Oregon Motor Vehicle Fuel Tax.

Storm Drain Reserve Fund

This fund accounts for the reserved money set aside for future storm drain repairs, maintenance, and replacements. The principle source of receipts is earnings on investments and transfers from the general fund.

The City also maintains the following budgetary funds:

Wastewater System Reserves Fund

This fund accounts for the reserved money set aside for studying, designing, and implementing a plan for the installation of a new sewer system. The principle source of receipts is earnings on investments and transfers from the general fund.

Failing Street Property Reserve Fund

This fund accounts for the reserved money set aside for the development of the lot located at 9840 Failing Street, located in the City of Maywood Park, commonly known as Maywood Commons. The principle source of receipts is earnings on investments and transfers from the general fund.

**CITY OF MAYWOOD PARK
MULTNOMAH COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. BASIS OF ACCOUNTING

The cash basis of accounting is followed. Under the cash basis of accounting, receipts are recorded when received and disbursements are recorded as paid in cash or by check. This basis of accounting is applied to both the government-wide financial statements and the governmental fund financial statements uniformly. Therefore, no reconciliations are necessary between the two types of financial statements.

The cash basis of accounting is not equivalent to the basis of accounting required by generally accepted accounting principles (GAAP). Under GAAP the fund financial statements require that revenues be recorded as they become susceptible to accrual (i.e. when they become measurable and available) and expenditures recorded as goods and services received. For the government-wide statements GAAP requires that the accrual basis of accounting be applied. Under the accrual basis of accounting the cost of capital assets is capitalized and depreciated over their estimated useful lives, debt is recorded as a liability instead of expensed, revenues are recorded when earned irrespective of the collection of cash, and disbursements, including depreciation, are recorded when incurred instead of when paid. Management believes the cash basis of accounting is preferable due to the small size and the necessity of assessing available cash resources. The cash basis of accounting is allowed under Oregon Local Budget Law.

D. GOVERNMENT-WIDE FUND FINANCIAL STATEMENTS

The government-wide statements report information irrespective of fund activity, and the fund financial statements report information using the funds. In total, the results presented using both of these methods are the same since the cash basis of accounting is used. Accordingly, there is no need for reconciling schedules.

The government-wide financial statements report information on the primary government. For the most part, the effect of interfund activity has been removed from these basic statements.

The statement of activities demonstrates the degree to which the direct disbursement of a given function or segments is offset by program receipts. Direct disbursements are those that are clearly identifiable with a specific function or segment. Program receipts 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 receipts are reported instead as general receipts.

E. FUND BALANCE

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

**CITY OF MAYWOOD PARK
MULTNOMAH COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. FUND BALANCE (CONTINUED)

- Nonspendable fund balance represents amounts that are not in a spendable form.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the Council or by an official to whom that authority has been given by the Council.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

There were no nonspendable or committed fund balances at year end.

The Council has not approved an order of spending regarding fund balance categories so the default approach assumes the following: restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for disbursements. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and unassigned.

F. BUDGET

A budget is prepared and legally adopted for each fund on the cash basis of accounting in the main program categories required by the Oregon Local Budget Law. The budgets for all funds are adopted on a basis consistent with the cash basis of accounting. The budget process begins early in each fiscal year with the establishment of the budget committee. Recommendations are developed through late winter with the budget committee approving the budget in early spring. Public notices of the budget hearing are made generally in early spring with a public hearing being held approximately three weeks later. The Council may amend the budget prior to adoption; however, budgeted expenditures for each fund may not be increased by more than ten percent. The budget is adopted and appropriations are made no later than June 30th.

Disbursement budgets are appropriated at the following levels for each fund: Personal Services, Materials and Services, Public Safety, Capital Outlay, Interfund Transactions, and Operating Contingency. Disbursements cannot legally exceed the above appropriations levels. Appropriations lapse at the fiscal year end. Supplemental appropriations may occur if the Council approves them due to a need which exists which was not determined at the time the budget was adopted.

Budget amounts shown in the cash basis basic financial statements reflect the original appropriations and supplemental budget. Disbursements of the various funds were within authorized appropriations.

**CITY OF MAYWOOD PARK
MULTNOMAH COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. CAPITAL ASSETS

Capital assets are recorded at the original or estimated cost. Donated capital assets are recorded at their estimated fair market value on the date donated. Capital assets are defined as assets with an initial cost of more than \$1,000 and an estimated life in excess of one year. Interest incurred during construction, and maintenance and repairs that do not add to the value of the asset or materially extend assets' lives, are not capitalized.

Non-expendable equipment purchased is usually recorded as a capital outlay disbursement in the governmental funds. Under the cash basis of accounting the cost of capital assets are not required to be displayed in the basic financial statements. The costs of significant betterments to capital assets are similarly recorded as disbursements and not capitalized. Depreciation is not recorded. No receipts or disbursements are recorded for donated assets since no cash is received or used when assets are donated. Normal repairs and maintenance are charged to disbursements as capital outlay or as materials and services. When property is retired or sold, any related proceeds are recorded in the governmental funds.

H. PENSION PLAN

The City does not participate in the State of Oregon Public Employees Retirement System or any other pension plan.

I. PROPERTY TAXES RECEIVABLE

Ad valorem property taxes are levied and become a lien on all taxable property as of July 1. Property taxes are payable on November 15. Collection dates are November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15th. Taxes unpaid and outstanding on May 16 are considered delinquent.

Tax receipts are based on Advance Recovery in which one payment per year is received from Multnomah County. Therefore, no uncollected taxes are recorded.

J. FAIR VALUE INPUTS AND METHODOLOGIES AND HIERARCHY

Fair value is defined as the price that would be received to sell an asset or 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. The classification of securities within the fair value hierarchy is based upon the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Level 1 – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access

Level 2 – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market–corroborated inputs)

**CITY OF MAYWOOD PARK
MULTNOMAH COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. FAIR VALUE INPUTS AND METHODOLOGIES AND HIERARCHY (CONTINUED)

Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund’s own assumptions used in determining the fair value of investments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

K. TRANSFERS

The City makes transfers between funds when approved by the Council. Transfers are used to reserve for future use for certain special revenue funds.

Transfers for the year ended June 30, 2023 are presented in the fund financial statements but have been eliminated from the statement of activities.

2. CASH AND INVESTMENTS

Deposits

Deposits with financial institutions include bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury. The total bank balance per the bank statements as of June 30, 2023 was \$479,312, of which \$405,776 was covered by federal depository insurance and the remainder was collateralized by the Oregon Public Funds Collateralization Program (PFCP).

Cash and investments as of June 30, 2023 consisted of:

Deposits with Financial Institutions:

Demand Deposits	<u>\$ 483,498</u>
Total	<u><u>\$ 483,498</u></u>

Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the deposits may not be returned. There is no deposit policy for custodial credit risk. As of June 30, 2023, none of the bank balances were exposed to custodial credit risk.

**CITY OF MAYWOOD PARK
MULTNOMAH COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

Credit Risk - Investments

The policy is to follow state statutes governing cash management. Statutes authorize investing in banker's acceptances, repurchase agreements, obligations of the United States and its agencies and instrumentalities.

Oregon Revised Statutes do not limit investments as to credit rating for securities purchased from U.S. Government Agencies or USGSE.

Interest Rate Risk - Investments

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. There were no investments at year end.

Concentration of Credit Risk

At June 30, 2023, there were no investments.

3. CAPITAL ASSETS

The changes in capital assets for the fiscal year ended June 30, 2023 are as follows:

	GOVERNMENTAL FUNDS		
	Balance at 7/1/2022	(Deletions)	Balance at 6/30/2023
Equipment	\$ 14,610	\$ -	\$ 14,610
Street Improvements	341,651	-	341,651
 Total	<u>\$ 356,261</u>	<u>\$ -</u>	<u>\$ 356,261</u>

As discussed in Note 1, the City does not calculate depreciation on capital assets nor record these assets on the statement of net position due to use of the cash basis of accounting.

4. RISK MANAGEMENT

There is exposure to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. Commercial insurance is purchased to minimize exposure to these risks. Settled claims have not exceeded this commercial coverage for any of the past three fiscal years.

**CITY OF MAYWOOD PARK
MULTNOMAH COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

5. PROPERTY TAX LIMITATIONS

The voters of the State of Oregon imposed a constitutional limit on property taxes for schools and non-school government operations. School operations include community colleges, local school districts, and education service districts. The limitation provides that property taxes for non-school operations are limited to \$10.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt. The State voters further reduced property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit in 1997. This reduction is accomplished by rolling property values back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The State Constitution sets restrictive voter approval requirements for most tax and many fee increases and new bond issues, and requires the State to minimize the impact to school districts from the impact of the tax cuts.

6. INTERFUND TRANSFERS AND DUE TO/DUE FROM:

Transfers were made to fund operations and were comprised as follows:

Fund	Transfers In	Transfers Out
General Fund	\$ 114,400	\$ 165,200
Street Fund	42,200	11,400
Storm Drain Reserve Fund	20,000	-
Total	\$ 176,600	\$ 176,600

Due to/Due from were made to fund operations and were comprised as follows:

Fund	Due From	Due To
General Fund	\$ 87,016	\$ 69,059
Street Fund	322	-
Storm Drain Reserve Fund	-	18,279
Total	\$ 87,338	\$ 87,338

CITY OF MAYWOOD PARK
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. TAX ABATEMENTS

As of June 30, 2023, the City potentially had tax abatements through various state allowed programs that impacted levied taxes. Based on the information available from the county as of the date of issuance of these cash basis basic financial statements, there were no material abatements disclosed by the county for the year ended June 30, 2023 for any program covered under GASB 77.

8. RENTAL AGREEMENT

The City rents office space from Mt. Hood Community College District under a three years agreement expiring June 30, 2024. A lease liability and right to use asset are not recorded under GASB 87 due to the City's use of the cash basis of accounting.

9. COMMITMENTS AND CONTINGENCIES

The COVID-19 outbreak in the United States has caused substantial disruption to business and local governments due to mandated and voluntary suspension of operations and stay at home orders. There is considerable uncertainty around the duration of the outbreak and the long-term impact to the over overall economy. The ultimate impact of the City's finances is not determinable.

**CITY OF MAYWOOD PARK
MULTNOMAH COUNTY, OREGON**

SUPPLEMENTARY INFORMATION

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CITY OF MAYWOOD PARK
MULTNOMAH COUNTY, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE – CASH BASIS
BUDGET AND ACTUAL
For the Year Ended June 30, 2023

	GENERAL FUND			VARIANCE POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
RECEIPTS:				
City Franchise Fees	\$ 54,800	\$ 54,800	\$ 59,341	\$ 4,541
Alcoholic Beverage Tax	13,800	13,800	16,380	2,580
Cigarette Tax	600	600	608	8
Permits, Licenses and Fees	500	500	137	(363)
Earnings on Investments	-	-	33	33
Oregon Marijuana Tax	900	900	1,070	170
Multnomah County Alarm Rebates	100	100	-	(100)
Fire District 10 Reimbursement	2,500	2,500	2,491	(9)
County Heavy Eq Rental Tax	-	-	128	128
ARPA Funds	-	-	94,288	94,288
Property Tax Revenue	144,000	144,000	145,793	1,793
Revenue Sharing	8,700	8,700	9,447	747
Total Receipts	<u>225,900</u>	<u>225,900</u>	<u>329,716</u>	<u>103,816</u>
DISBURSEMENTS:				
Personnel Services	64,600	64,600 (1)	46,325	18,275
Materials and Services	82,600	85,100 (1)	67,272	17,828
Public Safety	74,900	74,900 (1)	48,042	26,858
Capital Outlay	17,000	17,000 (1)	12,719	4,281
Contingency	5,000	2,500 (1)	-	2,500
Total Disbursements	<u>244,100</u>	<u>244,100</u>	<u>174,358</u>	<u>69,742</u>
Excess of Receipts Over, (Under) Disbursements	<u>(18,200)</u>	<u>(18,200)</u>	<u>155,358</u>	<u>173,558</u>
OTHER FINANCING SOURCES, (USES):				
Transfers In	24,400	24,400	24,400	-
Transfers Out	(152,200)	(152,200) (1)	(152,200)	-
Total Other Financing Sources, (Uses)	<u>(127,800)</u>	<u>(127,800)</u>	<u>(127,800)</u>	<u>-</u>
Net Change in Fund Balance – Cash Basis	(146,000)	(146,000)	27,558	173,558
Beginning Fund Balance – Cash Basis	<u>146,000</u>	<u>146,000</u>	<u>156,614</u>	<u>10,614</u>
Ending Fund Balance – Cash Basis	<u>\$ -</u>	<u>\$ -</u>	184,172	<u>\$ 184,172</u>
Reconciliation to Governmental Fund Balance as required by GASB 54				
Ending Fund Balance:				
Wastewater System Reserves Fund			79,925	
Failing Street Property Development Reserves Fund			43,985	
			<u>\$ 308,082</u>	

Note: The Failing Street Property Development Reserves Fund and the Wastewater System Reserves Fund are included in the General Fund operations in compliance with GASB 54 because they are funded primarily through resources that are not restricted or committed.

(1) Appropriation Level

CITY OF MAYWOOD PARK
MULTNOMAH COUNTY, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE – CASH BASIS
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2023

	<u>STREET FUND</u>			VARIANCE POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
RECEIPTS:				
State Highway Revenue	\$ 58,000	\$ 58,000	\$ 64,774	\$ 6,774
Earnings on Investments	-	-	213	213
Total Receipts	<u>58,000</u>	<u>58,000</u>	<u>64,987</u>	<u>6,987</u>
DISBURSEMENTS:				
Materials and Supplies	84,800	84,800 (1)	60,410	24,390
Capital Outlay	61,000	61,000 (1)	40,533	20,467
Contingency	5,000	5,000 (1)	-	5,000
Total Disbursements	<u>150,800</u>	<u>150,800</u>	<u>100,943</u>	<u>49,857</u>
Excess of Receipts Over, (Under) Disbursements	<u>(92,800)</u>	<u>(92,800)</u>	<u>(35,956)</u>	<u>56,844</u>
OTHER FINANCING SOURCES, (USES):				
Transfers In	42,200	42,200	42,200	-
Transfer Out	<u>(11,400)</u>	<u>(11,400) (1)</u>	<u>(11,400)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>30,800</u>	<u>30,800</u>	<u>30,800</u>	<u>-</u>
Net Change in Fund Balance – Cash Basis	<u>(62,000)</u>	<u>(62,000)</u>	<u>(5,156)</u>	<u>56,844</u>
Beginning Fund Balance – Cash Basis	<u>62,000</u>	<u>62,000</u>	<u>70,797</u>	<u>8,797</u>
Ending Fund Balance – Cash Basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,641</u>	<u>\$ 65,641</u>

(1) Appropriation Level

CITY OF MAYWOOD PARK
MULTNOMAH COUNTY, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE – CASH BASIS
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2023

<u>STORM DRAIN RESERVE FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
RECEIPTS:				
Earnings on Investments	\$ -	\$ -	\$ 12	\$ 12
Total Receipts	<u>-</u>	<u>-</u>	<u>12</u>	<u>12</u>
DISBURSEMENTS:				
Materials and Services	40,000	40,000 (1)	18,279	21,721
Capital Outlay	<u>20,000</u>	<u>20,000 (1)</u>	<u>-</u>	<u>20,000</u>
Total Disbursements	<u>60,000</u>	<u>60,000</u>	<u>18,279</u>	<u>41,721</u>
Excess of Receipts Over, (Under) Disbursements	<u>(60,000)</u>	<u>(60,000)</u>	<u>(18,267)</u>	<u>41,733</u>
OTHER FINANCING SOURCES:				
Transfers In	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Total Other Financing Uses	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Net Change in Fund Balance – Cash Basis	(40,000)	(40,000)	1,733	41,733
Beginning Fund Balance – Cash Basis	<u>101,000</u>	<u>101,000</u>	<u>108,042</u>	<u>7,042</u>
Ending Fund Balance – Cash Basis	<u>\$ 61,000</u>	<u>\$ 61,000</u>	<u>\$ 109,775</u>	<u>\$ 48,775</u>

(1) Appropriation Level

CITY OF MAYWOOD PARK
MULTNOMAH COUNTY, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE – CASH BASIS
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2023

WASTEWATER SYSTEM RESERVES FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
DISBURSEMENTS:				
Materials and Services:				-
Fees & Consulting Services	90,000	90,000 (1)	10,190	79,810
Total Disbursements	<u>90,000</u>	<u>90,000</u>	<u>10,190</u>	<u>79,810</u>
Total Disbursements	<u>90,000</u>	<u>90,000</u>	<u>10,190</u>	<u>79,810</u>
Excess of Receipts Over, (Under) Disbursements	<u>(90,000)</u>	<u>(90,000)</u>	<u>(10,190)</u>	<u>79,810</u>
OTHER FINANCING SOURCES, (USES):				
Transfers In	90,000	90,000	90,000	-
Total Other Financing Uses	<u>90,000</u>	<u>90,000</u>	<u>90,000</u>	<u>-</u>
Net Change in Fund Balance – Cash Basis	-	-	79,810	79,810
Beginning Fund Balance – Cash Basis	-	-	115	115
Ending Fund Balance – Cash Basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,925</u>	<u>\$ 79,925</u>

Note: This fund's activities have been combined with the General Fund activities in accordance with GASB #54.

(1) Appropriation Level

CITY OF MAYWOOD PARK
MULTNOMAH COUNTY, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE – CASH BASIS
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2023

FAILING STREET PROPERTY DEVELOPMENT RESERVES FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
RECEIPTS:				
Earnings on Investments	\$ -	\$ -	\$ 32	\$ 32
Total Receipts	-	-	32	32
DISBURSEMENTS:				
Materials and Service	50,000	50,000 (1)	8,575	41,425
Total Disbursements	50,000	50,000	8,575	41,425
Excess of Receipts Over, (Under) Disbursements	(50,000)	(50,000)	(8,543)	41,457
OTHER FINANCING SOURCES, (USES):				
Transfers Out	(13,000)	(13,000) (1)	(13,000)	-
Total Other Financing Uses	(13,000)	(13,000)	(13,000)	-
Net Change in Fund Balance – Cash Basis	(63,000)	(63,000)	(21,543)	41,457
Beginning Fund Balance – Cash Basis	63,000	63,000	65,528	2,528
Ending Fund Balance – Cash Basis	\$ -	\$ -	\$ 43,985	\$ 43,985

Note: This fund's activities have been combined with the General Fund activities in accordance with GASB #54.

(1) Appropriation Level

CITY OF MAYWOOD PARK
MULTNOMAH COUNTY, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES OF TAXES UNCOLLECTED – GENERAL FUND
For the Year Ended June 30, 2023

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED 07/01/2022	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED 06/30/2023
CURRENT: 2022-2023	\$ 150,997	\$ (3,965)	\$ (446)	\$ 18	\$ 144,503	\$ 2,101
PRIOR YEARS:						
2021-2022	1,682	6	(280)	24	662	770
2020-2021	700	2	(131)	18	150	439
2019-2020	423	1	(77)	40	174	213
2018-2019	183	1	(55)	22	106	45
Prior Years	288	-	(21)	8	19	256
Total Prior	3,276	10	(564)	112	1,111	1,723
Total General Fund	<u>\$ 154,273</u>	<u>\$ (3,955)</u>	<u>\$ (1,010)</u>	<u>\$ 130</u>	<u>145,614</u>	<u>\$ 3,824</u>

RECONCILIATION TO REVENUE

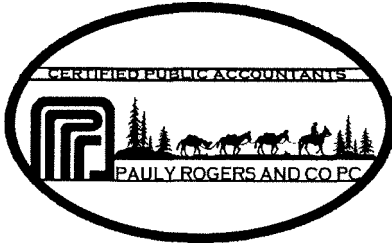
Cash collections by County Treasurer Above	145,614
Timing Differences	<u>179</u>
Total Revenue	<u>\$ 145,793</u>

Note: Under the cash basis of accounting, uncollected taxes are not reported in the financial statements.

**CITY OF MAYWOOD PARK
MULTNOMAH COUNTY, OREGON**

**INDEPENDENT AUDITORS' REPORT
REQUIRED BY OREGON STATE REGULATIONS**

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December 19, 2023

Independent Auditors' Report Required by Oregon State Regulations

We have audited the cash basis basic financial statements of the City of Maywood Park as of and for the year ended June 30, 2023, and have issued our report thereon dated December 19, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the City of Maywood Park's cash basis basic financial statements are free of material misstatement, we performed tests of 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 the cash basis basic 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)**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **Highway revenues used for public highways, roads and streets.**


In connection with our testing nothing came to our attention that caused us to believe the City of Maywood Park 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 as follows:

1. During our review of the budget process, we noted that the budget committee meeting was not published between 5 to 30 days before the meeting nor as an alternative did the City hand delivered notices to all residents regarding the meeting.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the cash basis basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal control over financial reporting.

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

A handwritten signature in black ink that reads "Roy R Rogers". The signature is written in a cursive style with a large, prominent "R" in the middle.

ROY R. ROGERS, CPA
PAULY, ROGERS AND CO., P.C