

AGENDA

Board of Directors

Mid-Willamette Valley Council of Governments

Tuesday, December 19, 2023

3:30 P.M. – 4:30 P.M.

Hybrid: In Person and Zoom

Join Zoom Meeting

<https://us06web.zoom.us/j/88985523169?pwd=NOozSKTr6uo5uGaA9eWHaRekZOIHSI.1>

Meeting ID: 889 8552 3169

Passcode: 430600

CONTACT: Scott Dadson, Executive Director, 503-540-1601
CHAIR: Tribal Councilwoman Lisa Leno, Confederated Tribes of Grand Ronde
VICE CHAIR: Ian Davidson, Cherriots, Salem Keizer Transit District

A. CALL TO ORDER – *Lisa Leno, Chair*

B. INTRODUCTIONS – *Lisa Leno, Chair*

C. PUBLIC COMMENT (*This time is reserved for questions or comments from persons in the audience*)

E. CONSENT CALENDAR (*All items on the Consent Calendar will be approved by one vote unless an item is withdrawn for discussion at the request of a Board member. Members may have an item withdrawn by notifying the Chair at the meeting. The item will be removed by the Chair for discussion and a separate motion will be required to take action on the item in question.*)

1. Minutes of October 24, 2023, special meeting of the Board of Directors **pg. 3**
Requested Action: Approve minutes

F. INFORMATIONAL ITEMS

1. Financial Report – *Amber Mathiesen* **pg. 5**
Information only.

2. Department Activity Reports **pg. 6**
Information only. Reports from the Community Development Department (*McRae Carmichael*), Transportation Department (*Ray Jackson*), and Small Business Loan Program (*Jeff Hilderbrand*).

3. Legislative Policy Update – Legislative Policy Subcommittee – Scott Dadson

G. ACTION ITEMS

- 1. Adopt Legislative Policy for 2024** **pg. 15**
Requested Action: Motion to Adopt Legislative Policy for 2024
- 2. Adopt Member Dues/EDD Assessment FY 2024-2025** **pg. 21**
Requested Action: Motion to Adopt Member Dues and EDD Assessment for FY 2024-2025
- 3. Election of Officers for 2024** **pg. 26**
Requested Action: Motion to Elect officers for the 2024 calendar year based upon the recommendations of the Executive Committee.
- 4. Adopt 2024 Meeting Schedule** **pg. 27**
Discuss best start time for COG Board meetings in 2024.
Requested Action: Motion to Adopt the meeting schedule for the 2024 calendar year.
- 5. Audit Report – Ryan Pasquarella, Shareholder with Grove, Mueller & Swank** **pg. 29**
Requested Action: Motion to Accept the FY 2022-2023 Audit Report.

H. EXECUTIVE DIRECTOR’S REPORT

- 1. Annual Meeting Planning Update**

I. BOARD DISCUSSION/ROUNDTABLE *(This is an opportunity for Board members to introduce subjects not on the agenda and report on happenings in their respective jurisdictions.)*

J. ADJOURNMENT

NEXT MEETING: Annual Dinner
Wednesday, February 28, 2024, 6:00 p.m. Grand Ronde/Spirit Mountain

The Mid-Willamette Valley Council of Governments is pleased to comply with the Americans with Disabilities Act (ADA). If you need special accommodations to attend this meeting, please contact Linda Hansen at lhansen@mwvcoq.org or (503) 588-6177 at least 48 hours prior to the meeting. Hearing impaired, please call Oregon Telecommunications Relay Service, 7-1-1. Thank you.

MINUTES OF OCTOBER 24, 2023

MID-WILLAMETTE VALLEY COUNCIL OF GOVERNMENTS BOARD OF DIRECTORS

Hybrid meeting - COG Conference Room/Zoom Webinar

BOARD MEMBERS PRESENT

VICE CHAIR: Ian Davidson, Salem-Keizer Transit District Board
Mayor Ken Woods, City of Dallas
Mayor Cathy Clark, City of Keizer
Councilor Sal Peralta, City of McMinnville
Councilor Roxanne Beltz, City of Monmouth
Mayor Chris Hoy, City of Salem
Mayor Frank Lonergan, City of Woodburn
Mayor Jim Kingsbury, Small Cities of Marion County
Mayor John McArdle, Independence, representing Small Cities of Polk County
Mayor Linda Watkins, Carlton, representing Small Cities of Yamhill County
Maria Hinojos Pressey, Member, Salem-Keizer School District Board of Directors
Frank W. Pender, Jr., Board Member, Willamette Education Service District (WESD)

BOARD MEMBERS ABSENT

Lisa Leno, Tribal Council Member, Confederated Tribes of Grand Ronde
Commissioner Danielle Bethell, Marion County
Commissioner Jeremy Gordon, Polk County
Commissioner Kit Johnson, Yamhill County
Mayor Bill Rosacker, City of Newberg
Matt Smith, Board Chair, Chehalem Park and Recreation District
Ms. Betsy Earls, Chemeketa Community College
Darin Olson, Marion County Soil & Water Conservation District

OTHERS PRESENT

Scott Dadson, Executive Director
Amber Mathiesen, Finance Director
Jeff Hilderbrand, Loan Program Manager
Linda Hansen, Administration Support Coordinator

CALL TO ORDER & INTRODUCTIONS

Vice Chair Davidson called the meeting to order at 3:31 p.m. The presence of a quorum was noted. Attendance was noted.

PUBLIC COMMENT

None.

CONSENT CALENDAR

MOTION by Mayor McArdle, **SECONDED** by Pender, **TO APPROVE THE CONSENT CALENDAR, AS PRESENTED.**

Minutes of September 19, 2023, meeting of the Board of Directors

Discussion: None.

Motion carried.

IN FAVOR: All present. **OPPOSED:** None. **ABSTAINED:** None.

ACTION ITEMS

Packaging and Servicing Professional Services Agreement between CCD Business Development Corp & MWVCOG. Jeff Hilderbrand, MWVCOG Loan Program Manager, outlined the changes to the agreement, which include adding Executive Director Dadson and updating the compensation rates to reflect the rates that the COG Board has approved. The agreement may be terminated without cause by either party with 60 days notice.

MOTION by Pender, **SECONDED** by Mayor Clark, **TO APPROVE THE PACKAGING AND SERVICING PROFESSIONAL SERVICES AGREEMENT BETWEEN CCD BUSINESS DEVELOPMENT CORP AND MWVCOG, AS PRESENTED.**

Discussion: None.

Motion carried.

IN FAVOR: All present. **OPPOSED:** None. **ABSTAINED:** None

BOARD DISCUSSION/ROUNDTABLE

Frank Pender shared that WESD has a new superintendent, Joe Morelock.

ADJOURNMENT

Hearing no further business, Vice Chair Davidson adjourned the meeting at 3:37 p.m.

Ian Davidson, MWVCOG Board Vice Chair

Date

Attest:

Scott Dadson, Executive Director

Date



MEMORANDUM

TO: Board of Directors
Mid-Willamette Valley Council of Governments

DATE: December 19, 2023

THRU: Scott Dadson
Executive Director

FROM: Amber Mathiesen
Finance Director

SUBJECT: Finance Report

Budget

The FY 2023-24 budget was adopted by the COG board in June 2023. We do not have any supplemental budgets to present currently.

Audit

The FY 2022-23 audit is completed and will be presented by Grove, Mueller and Swank.

Indirect Cost Rate

Our indirect cost rate negotiation process ended November 7, 2023, with the approval of the 2023-24 indirect cost rate. The cost rate approved is 50.99%.

Revenue and Expense

COG's activities related to the budget for FY 2023-24 are shown in Attachment A, a COG wide Budget versus actuals report through December 14, 2023. At that time close to 50% of the budget year has elapsed. Overall expenses are approximately 22.49% of budget.

The revenue(income) section of the report demonstrates that COG has received 30.45%.



MEMORANDUM

TO: Board of Directors **DATE:** December 11, 2023

Mid-Willamette Valley Council of Governments

THRU: Scott Dadson
Executive Director

FROM: McRae Carmichael
Community Development Director

SUBJECT: Community Development Update

The following summary highlights new and continuing Community Development activities completed by COG staff over the past three (3) months:

Economic Development

Latino Business Alliance

We have assisted the Latino Business Alliance in development of a small business loan program, writing the Loan Policies & Procedures and loan Guidelines. In 2023 we began performing the loan underwriting and documentation services for the LBA. This program has booked a total of seven small business loans. Loans sizes range from \$5,000 - \$15,000.

In 2023 we received the Outstanding Public/Private Partnership Award for 2023 from SEDCOR for our efforts in supporting this program.

We are in the process of applying for additional EDA funds to address loan requests for up to \$200,000.

Yamhill County Revolving Loan Fund

We are currently assisting Yamhill County Economic development in structuring a loan program for their revolving Loan Fund. Policies & Procedures, Loan Guidelines and administrative duties/contract is under review and advisement.

Entrepreneur Focus Groups

We our participation with **North Marion** County Business Service Providers. In 2023 we participated in a panel review and discussion of three business plans for entrepreneurs in Woodburn and Hubbard.

Though this group and in conjunction with the Small Business Development Center (SBDC) we made presentations on three separate occasions on business financing at Chemeketa Community College in Woodburn and in Brooks. In conjunction with the SBDC and The City of **McMinnville's Economic Development** we participated in a business financing resources group in a panel presentation and discussion at Chemeketa Community College in McMinnville.

MWVCOG Staff made presentations on CPACE funding to **Marion, Yamhill and Polk County** businesses and developers through SEDCOR.

Oregon Economic Development Districts, in partnership with **Business Oregon** have been working with all three Counties and member Cities to prepare for upcoming Broadband Funding opportunities through Broadband Technical Assistance Program (BTAP) and Broadband Equity, Access, and

Deployment (BEAD). It is estimated there will be \$8 million in BTAP funding, \$157 Million in ARPA funding and \$680 Million in BEAD funding that will be made available for Grant Applications. \$163 million will be available in 2024 for grants for planning and implementation.

In partnership with the Mid-Valley **Regional Solutions Team (RST)**, COG staff continues to track and monitor projects that will be included in the draft 2023-2028 Comprehensive Economic Development Strategy (CEDS). The draft CEDS is being reviewed by the Mid Willamette Valley Partnership Board and with the potential of adoption at the scheduled meeting in December 2023.

COG continues to support **Marion County** and the **Santiam Canyon** communities with wildfire response and recovery, including supporting land use planning applications and code updates to respond to immediate fire recovery and rebuilding, and coordinating meetings and support related to redevelopment efforts in the Canyon.

We continue to work with **Marion County Economic Development** on the Micro Business Loan Program for the communities in the Santiam Canyon that were impacted by the fire of 2020. With input from Marion County Economic Development, we have developed the Policy & Procedures and the Loan program Guidelines. Marion County has not finalized approval of this program.

This program endeavors to support the businesses and these communities, as a loan program with a forgivable option for up to \$30,000 of loan proceeds, based on new jobs created.

We are supporting the **North Santiam Sewer Authority**, a joint venture of the cities of **Idanha, Detroit, Gates** and **Mill City**, which has the aim of supporting the development of a sewer system for the canyon communities. The NSSA works in partnership with **Marion County** which is providing fiscal and engineering oversight of a \$50M ARPA allocation from the Oregon legislature to provide planning, design, and construction of sewer and septic solutions for the canyon. **\$40M** is allocated to construct a new treatment plant and collection system that can serve the communities of **Mill City** and **Gates**. **\$10M** was allocated to fund design and planning for a sewer system for **Detroit** and **Idanha** long term, and commercial and residential septic solutions in the interim, while additional funding for the construction of a sewer system is sought. This summer and fall COG support has and continues to be focused on assisting the NSSA board with its deliberations on the questions; what entity will own, operate and maintain the sewer system facilities during and after their construction and what will be the governance structure of the system. COG also works closely with county staff to identify potential sources of funding for gap funding to ensure completion of the construction of the Mill City -Gates treatment and collection system. COG supports the board with community engagement events and media inquiries regarding the project.

Land Use Planning

Our planners continue to support communities through draft code amendments, zone and comprehensive plan map updates, and new overlay zones and design standards, in addition to a large number of new development and subdivision applications in the area. COG currently provides contract planning services to 24 cities.

Over the past 6+ months, COG staff has provided interim planning services to the cities of **Dundee, Independence, McMinnville, Monmouth** and **Stayton** as they worked through some staffing transitions. Newberg continues to recruit for a new planner to assist with the Dundee contractual work.

Our planning staff continue to work on developing the work plan for code updates in **Carlton, Dayton** and **Mt. Angel**. This work will take place over the next year. Our planners also assisted the following communities with submission of **Technical Assistance (TA)** funding applications to DLCD for continued long-range planning work, specifically directed at addressing needed Economic development and housing in our region:

Amity, Dallas, Monmouth, Molalla and **City of Yamhill** all were awarded Planning Assistance grants from DLCD for Economic Development. MWVCOG will support all these communities with these projects.

We also will be assisting the City of **Keizer** with the code updates for Climate Friendly Cities code adoption. This work is building on the work that MWVCOG transportation and planning staff completed for Keizer in

2022-2023.

Grant Administration

We continue to assist **Amity** with their water improvements project and Davis-Bacon and BOLI wage monitoring requirements for the Salt Creek Bridge Water Line Project, the City of **Falls City** on their successful Community Development Block Grant (CDBG) award for \$2,050,145 for wastewater improvements, the city of **Independence** on Davis-Bacon and BOLI wage monitoring requirements related to a Oregon funded infrastructure project, and the City of **Willamina** on their successful CDBG award for \$873,912 and their Safe Drinking Water Revolving Loan Fund and Water/Wastewater award for \$6,114,660 to relocate their water intake.

We are assisting **Sheridan** with its **\$250,000 CDBG-CV** grant which in partnership with the Sheradin Food Bank provides critical equipment, supplies, staffing and food for vulnerable community members. The Food Bank recently purchased a cargo van to transport food and supplies as well as refrigeration equipment to extend the amount of food it is able to have onsite for community members. We are also assisting **Sheridan** with its **\$1,043,940 CDBG Wastewater System Improvements** design grant.

COG staff are administering a \$2 million DEQ septic reimbursement grant to reimburse property owners who have had to replace or repair septic systems destroyed or damaged by the Beachie Creek and Lionshead wildfires. We have 182 active applications, and have successfully processed and issued over **\$450** in reimbursement checks to over **113** property owners in **Marion County**.

Housing Rehabilitation

Planning efforts are underway with **Marion County** CDBG staff to begin their Home Loan repair program. The MWVCOG was awarded a five year contract to assist the County with administering its programs to the 18 entitlement communities within **Marion County**. The County has approved that an eligible property owner can apply for \$50,000 in funds for home improvements. The MWVCOG is currently accepting responses to an RFP for contractors to be added to an eligible contractors list. The City of **Silverton**, in partnership with the cities of **Hubbard** and **Stayton**, closed out its in November \$450,000 in CDBG-CV-2 (Coronavirus funding) funding to assist with rehabilitation of eligible structures in manufactured home parks. To date COG staff has assisted Silverton Manufactured Home Rehabilitation Grant Program. Were able to assist **36** households: 10 in **Hubbard**, 17 in **Silverton**, 9 in **Stayton**.

We have been working with **Mt. Angel** to complete and apply for Marion County CDBG funds for a street improvement along Academy Ave. This is follow-up work from the Income Survey MWVCOG staff completed for Mt. Angel over the summer to determine eligibility for these funds.

We also assisted the City of **Stayton** with a Safe Drinking Water Revolving Loan Fund application for approximately \$6 million for improvements to upgrade City water lines throughout the City to increase future capacity.

Small Business Loan Program

Commercial Loan Loss Reserve Program

In 2023 we applied and received funding through Business Oregon for a combined total of \$1,750,000 to develop a business loan loss reserve. \$1,000,000 was allocated for Mid-Willamette Valley Council of Governments and \$750,000 was allocated to Valley Development Initiatives.

Loans Booked in 2023:

| Loans Booked | Loan Amount | Loan Program | | Date Funded |
|---------------------|--------------------|---------------------|--|--------------------|
| MWVCOG: | | | | |
| A | \$200,000 | RLF | | 7/20/23 |
| | | | | |
| | | | | |
| VDI: | | | | |

| | | | | |
|--------------|------------------|-----|--|---------|
| A | \$106,250 | ILP | | 2/28/23 |
| B | \$180,000 | ILP | | 3/38/23 |
| C | \$200,000 | VDI | | 7/26/23 |
| | | | | |
| | | | | |
| Total | \$686,250 | | | |

Loan pipeline as of 12/12/2023:

| Borrower/Applicant | Loan Amount | Loan Program | Probability | Est. Funding Date |
|-----------------------------|--------------------|---------------------|--------------------|--------------------------|
| | | | | |
| Direct funded loans: | | | | |
| | | | | |
| VDI: | | | | |
| D | \$150,000 | VDI | 75% | 3/1/2024 |
| E | \$200,000 | VDI | 75% | 2/1/2024 |
| F | \$200,000 | VDI | 70% | 3/1/2024 |
| Sub-total | \$550,000 | | | |
| | | | | |
| | | | | |
| MWVCOG: | | | | |
| B | \$200,000 | RLF | 75% | 5/1/2024 |
| C | \$200,000 | RLF | 75% | 4/1/2024 |
| Sub-total | \$400,000 | | | |
| | | | | |
| Total Direct: | \$950,000 | | | |
| | | | | |
| | | | | |
| SBA 504: | | | | |
| 1 | \$1,630,000 | SBA 504 | 90% | 3/1/2024 |
| 2 | \$1,960,000 | SBA 504 | 70% | 5/1/2024 |
| | | | | |
| Total Indirect | \$3,590,000 | | | |

MEMORANDUM

TO: Board of Directors

DATE: December 13, 2023

THRU: Scott Dadson, Executive Director

FROM: Mike Jaffe, Transportation Program Director

SUBJECT: Transportation and GIS Programs Update

Mid-Willamette Area Commission on Transportation (MWACT)

In September and October, the MWACT Steering Committee (SC) continued their work to develop a ***draft MWACT Work Plan for 2024-2025***. The Work Plan includes goals, desired outcomes, and strategies. Another section lists MWACT's Interest Areas and Priorities. There is also a list of priority transportation projects (mostly infrastructure projects and some non-auto priorities) and a meeting topic outline. No changes are suggested for the MWACT charter. The final Work Plan is due by the end of 2023.

November 2, 2023, MWACT meeting

Savanah Crawford was selected as the new ODOT Region 2 manager. Ms. Crawford has replaced Sonny Chickering, who retired after many years at ODOT and as the Region 2 manager.

Commissioner Alicia Chapman¹ - appointed to the Oregon Transportation Commission (OTC) in the 2023 - attended the November MWACT meeting and said she's looking forward to working with MWACT to better understand the Mid-Willamette Valley's priorities and representing those to the rest of the OTC and ODOT managers. MWACT Chair Woods shared the background of MWACT with Commissioner Chapman. He highlighted that the consensus-based group is very focused on safety in their projects with the goal of project completion while balancing priorities between rural and urban areas.

Travis Brouwer, ODOT Assistant Director, presented **ODOT's Strategic Action Plan**² (SAP) that has guided the agency for the last three years; a new three-year plan is coming later this year. The objective of the SAP is to operationalize ODOT's long-term policy and plans with short-term

¹ Link to OTC Commissioners' bios: https://www.oregon.gov/odot/Get-Involved/Pages/OTC_members.aspx

² ODOT Strategic Action Plan (SAP) webpage: *Oregon Department of Transportation : Strategic Action Plan : State of Oregon.* <https://www.oregon.gov/odot/pages/sap.aspx>

actions. The SAP demonstrates that ODOT is forward-leaning while increasing transparency and accountability.

Jillian Trinkaus is the **new Statewide Intercity Network Coordinator** in the Rail and Multimodal Network Unit in ODOT's Public Transportation Division.³ She shared information about intercity bus service and how her new position fits into ODOT.

December 7, 2023, meeting

Jenna Berman, ODOT's Region 2 Active Transportation Liaison discussed her **Urban Design Verification (UDV)** work, which identifies walking and biking needs and potential solutions in communities along the State highway system. The goal of a UDV is to have vetted solutions that can be included in existing or upcoming projects over the next five to 10 years, leveraging planned maintenance and construction projects to address multimodal safety.

ODOT project manager, Paul Welch, and consultant project manager, Ed Chamberland, provided an update of phase 2 of the **Aurora-Donald I-5 Interchange project**. Approximately 32,000 vehicles per day use Exit 278 Aurora-Donald interchange. Completion of Phase 1A⁴ (\$11.5 million) extended the northbound off-ramp (including a new sound wall and retaining walls by the RV Park), realigned Bents Road and added a traffic signal. Phase 2⁵ (\$62.5 million) reconstructs the I-5 bridges, constructs the full, diverging diamond interchange, and builds longer and wider southbound exit ramp and entrance ramps. Ehlen Road under the I-5 bridge will have two lanes in both directions. This addresses the capacity issues by building an interchange that is a 20-year+ solution. The project is scheduled to go out to bid in early 2024 and will take about 4 years to complete.

MWACT also reviewed the final ***draft MWACT Work Plan for 2024-2025***. The commission accepted the work plan by consensus of the members present and online.

Salem Keizer Area Transportation Study (SKATS)

MPO Structure - The 2020 Census expanded the Salem Urban Area to include the city of Aumsville. In June and August, the SKATS Policy Committee discussed potential changes to the membership structure of the MPO, which would need to be finalized in an update to the **SKATS Cooperative Agreement**. Further discussion in September and November was postponed. The Policy Committee will continue this item at the February 2024 meeting.

Providing funds to complete projects - Transportation project construction costs have increased substantially since the start of the pandemic. During 2022 and the first half of 2023, SKATS added over \$11 million of federal funds to projects whose costs have escalated. The SKATS Policy Committee continues to implement its own January 2023 policy directive to make

³ Jillian Trinkaus: jillian.trinkaus@odot.oregon.gov

⁴ <https://www.oregon.gov/odot/projects/pages/project-details.aspx?project=19062>

⁵ <https://www.oregon.gov/odot/projects/pages/project-details.aspx?project=22505>

completing projects in the SKATS Transportation Improvement Program a priority over adding new projects. Following this policy, in October the SKATS Policy Committee approved a resolution **to add \$3,000,000 of federal funding to Salem's McGilchrist St SE @ 22nd St. SE** intersection realignment project, which is phase 1 of the city of Salem's larger McGilchrist upgrade project. Staff are expecting additional funding requests in 2024 for other projects in the development pipeline, including the Verda Lane upgrade in Keizer.

Oregon Travel Study – This is a statewide study of household travel using surveys. After the Spring of 2023 pilot phase (2600 households in Oregon, including 142 households within SKATS), the Oregon Travel Study launched its second phase of recruitment and data collection statewide in September. This effort lasted until mid-November with over 9000 households statewide and 559 households within SKATS participating. The next round of the Oregon Travel Study will start in late Winter/early Spring 2024 with completion by June 2024.

SKATS Title VI Program Review – ODOT's Office of Equity and Civil Rights (OECR) conducted a Title VI Program Review of the Salem-Keizer Area Transportation Study (SKATS) MPO. ODOT's final report found that the SKATS MPO has meaningful policies and practices in place for Title VI compliance, and has developed a thorough program for incorporating Title VI, ADA, language access, and public participation into its programs and planning activities, reflecting the MPO's commitment to inclusion, nondiscrimination, and equity.

Other notes:

- The results from the **Cordon Road/Kuebler Boulevard Corridor Study** was presented to the SKATS Policy in October, outlining the needs and project alternatives that were studied plus the list of recommended projects for the corridor.
- As part of a funding amendment, ODOT provided an update on the **Center Street bridge (over Willamette River) seismic upgrade** at the November Policy Committee meeting.

Safe Routes to School Program (MWVCOG and Salem-Keizer School District)

Salem-Keizer Safe Routes to School (S-K SRTS) had a fun and productive quarter.

- In September, SRTS Coordinator Beth Schmidt helped support Weddle Elementary School in Keizer for their **Safety Clinic Week** and helped coordinate Salem Health trauma nurse, Michelle Higgins, to **teach helmet safety** to students in the classroom.
- Beth arranged for Cycle Oregon to attend the **safety bike rodeo and education fair** where they also provided bicycles for students to ride; followed by a bike ride around the neighborhood as they were escorted by the Keizer Police Department.
- On October 4th, 2023, S-K SRTS coordinated **International Walk and Roll Day** with four schools in Salem. We had a great turnout with many community members.
- **Tania Perfecto-Calderon** was hired as our new SK-SRTS Program Assistant.
- The MWVCOG hosted an **in-person SRTS Statewide meeting**. We were joined by many other Oregon SRTS coordinators, as well as staff from Cycle Oregon, Alta Planning, and The Street Trust.

- In November, seven Salem-Keizer PE teachers participated in **Cycle Oregon's "Jump Start"**, preparing to teach "learn to ride" courses and bicycle safety for the spring of 2024. With this training, we are looking forward to getting bicycle fleets and teaching students at seven elementary schools next spring.
- At the request of Salem-Keizer Public Schools Superintendent Andrea Castañeda, Beth Schmidt gave a **workshop presentation at the 2023 Oregon School Boards Annual Convention** in Portland, Oregon. Schmidt worked with Nora Stoelting of Alta Planning to deliver a 75-minute presentation about Safe Routes to School in Oregon and what we are doing in Salem and Keizer.

Salem-Keizer Safe Routes to School had a marvelous turnout for **Ruby Bridges Walk to School Day on November 14th, 2023**. We partnered with the **Salem-Keizer NAACP** to request Ruby Bridges day Proclamations from Keizer Mayor Cathy Clark and Salem Mayor Chris Hoy. In Salem, we had six schools participate (Bush, Grant, Wright, Lee, Washington, and Hammond Elementary Schools) and two schools in Keizer (Cummings and Forest Ridge). With homemade banners and accompanied by families and school staff, students walked in honor of Ruby Bridges and her brave walk to end segregation in school.

The Ruby Bridges Foundation states, "Ruby believes the most important thing is uniting students. That is why this walk-to-school day is so important. It is a call to action. This day will be a day of dialogue encouraging students to participate in discussions about racism, bullying, and youth activism on this day and throughout the school year. What better way to honor Ruby's legacy."



Census and Geographic Information Systems (GIS) Department

GIS staff updated **zoning and comprehensive plan designation maps** for the **cities of St. Paul and Sheridan**.

GIS staff developed a **notification mailing web mapping application** used by COG Community Development staff. Lane use planners at the COG often must send notification mailings to property owners affected by land use actions at our member cities, and this application streamlines the process for obtaining the address lists for properties within a specified distance of a subject property. The application has significantly reduced the amount of time and work for COG administrative staff to complete notification mailings for our member cities.

GIS staff performed mapping and analysis work to support a **buildable lands inventory for the city of Aurora**. Commercial and industrial employment lands were examined and analyzed for development potential with consideration given to constraints on properties, such as slope, wetlands, and floodplain.

GIS staff continue to assist the **city of Silverton** with **the conversion of utility CAD data to GIS** for mapping, analysis, and management of utilities. Future phases of the project include modernizing the existing GIS system to include hardware, database, and license management servers and updating desktop GIS software to the most current version.

GIS staff worked with conservation planners at the **Marion Soil and Water Conservation District** to develop an **ESRI Field Maps mobile data collection application**. The application is used by MSWCD planners to collect land use data that will assist with the planning and protection of soil and water resources. The application allows for synchronization between the field collection and desktop software.

Our GIS work gets published! - GIS Analyst Juan Carlos Torres published an article in the leading GIS industry magazine ArcNews, a quarterly magazine published by GIS software company ESRI. The article details his work with **Yamhill County Public Works** to develop a **mobile field mapping application** designed to help the county's mowing and spraying crews avoid protected butterfly habitats, as well as collect data and track crew vehicles. The mobile field application has been immensely successful for **Yamhill County**.

The article can be found here:



<https://www.esri.com/about/newsroom/arcnews/butterfly-conservation-gets-a-boost-from-arcgis-field-maps/>

**Mid-Willamette Valley Council of Governments
State and Federal Legislative Positions
(22-23 revised for short session 2024)**



**Adopted by the Board of Directors
On December 13, 2022 (revised and adopted 12/19/23)**

WHAT IS THE PURPOSE OF THE COG?

The Mid-Willamette Valley of the Oregon is faced with numerous problems resulting from rapid urbanization, including problems of limited natural resources, health, education, safety, economics, transportation, recreation, culture, multiplicity of governments, budget restraints, coordination of programs, environmental quality, community appearance and well-being. These problems will increase in complexity and intensity as the population increases. So that the solution of these problems may be prepared and planned through a rational democratic process the affected governmental units join in voluntary cooperation. (The Agreement of the Mid-Willamette Valley Council of Governments)

The Mid-Willamette Valley Council of Governments (the COG) advocates for regional cooperation as the most effective way to address a variety of community planning and development opportunities and issues.

The COG was organized by its membership to recognize two (2) separate, but distinct principles:

1. The Sovereign Equality of all its members; and,
2. The Well-being of each of the constituent political jurisdictions (the members) is dependent upon the sound growth and development of the entire Mid-Willamette Valley (the Region).

To achieve this, the membership created the COG as a regional body of which one of its' central purposes is to enable elected officials of the member governments to:

1. Jointly identify issues and needs which are regional in scope;
2. Achieve concurrence for cooperative actions;
3. Plan and recommend governmental action in areas of intergovernmental concern.

To this end, the Board of Directors of the MWVCOG adopted Legislative Priorities in 2020 and then created a Legislative Committee to work with State and Federal officials as well as the Members in accomplishing these Priorities. The Legislative Committee, represented by Board Members from the Region, has met during both the Long and Short Oregon Legislative Sessions in 2021 and 2022, advocated with the help of the COGs staff and lobbyist on these priorities, and hosted a Legislative Gathering in August of 2022. The Legislative Committee surveyed the membership during the Fall of 2022 and has recommended this updated set of Legislative priorities for the Board of Directors consideration.

MWVCOG TOP 3 REGIONAL ISSUES

1. REGIONAL CAPACITY BUILDING THROUGH THE COG(S) TO ASSIST IN THE EQUITABLE DISTRIBUTION OF OPPORTUNITIES AFFORDED BY ARPA AND IIJA TO THE MEMBER LOCAL GOVERNMENTS
2. SECURE STABLE FUNDING FOR REGIONAL TRANSPORTATION PROJECTS INCLUDING REGIONAL PUBLIC TRANSIT AND TARGETED HIGHWAY INTERCHANGES AND REFORM ROLE OF AREA COMMISSIONS ON TRANSPORTATION.

3. INCREASE THE AMOUNT OF AND ACCESS TO AFFORDABLE AND AVAILABLE HOUSING THROUGH REGIONAL APPROACHES TO ASSIST MEMBER LOCAL GOVERNMENTS PROVIDE DIVERSE, EQUITABLE, AND SUSTAINABLE HOUSING THROUGHOUT OREGON.

As general guiding principles, the Mid-Willamette Valley Council of Governments (MWVCOG) will:

- Support the legislative, policy, and project specific priorities identified by the Salem Keizer Area Transportation Study.
- Promote state funding for and recognition of metropolitan planning organizations, like SKATS, as independent regional transportation planning entities in both policy and the Oregon Revised Statutes.
- “Support the reformation and increase the relevance of the Area Commissions on Transportations and their role to advise ODOT, the Oregon Transportation Commissions, and legislators on issues of statewide transportation policy. Empowering the ACTs to prioritize projects through the allocation of state transportation funds on the state highway system and other multimodal facilities of regional importance will serve to balance the economic needs of the region, the safety of all transportation users, and the need to reduce pollution and greenhouse gas emissions.”
- As a Home Rule State, MWVCOG will advocate on the philosophy that local governments are equal partners, with different responsibilities, than the State, and that Local Governments are to be respected and trusted in their service to residents. Local governments stand ready to use the Oregon share effectively and responsibly of the transportation funds, for transit expansion, local bridges, and safe routes to schools.
- Increase state use and recognition of Economic Development Districts and their regional approach to economic development and funding in both policy and the Oregon Revised Statutes, and opportunities to leverage existing organizations and staffing to support both federal, state, and local efforts;
- Support state and federal policies and legislation that recognize, empower, and respect the grassroots priorities and projects of regional councils throughout Oregon;
- Support creation of programs within Councils of Government that provide resources to foster greater local government cooperation, innovation, and efficiency; and
- Advocate for the equitable allocation of state and federal resources across all regional governments based on a variety of factors to include need, service demands, economic indicators, and not just population, to promote equity in the state and ensure no one area receives a disproportionate share of resources.

Priority Policy Positions

1. REGIONAL CAPACITY BUILDING THROUGH THE COG(S) TO ASSIST IN THE EQUITABLE DISTRIBUTION OF OPPORTUNITIES AFFORDED BY ARPA AND IJA TO THE MEMBER LOCAL GOVERNMENTS (secured in HB 3395) Seek continuity in funding to assist our member governments.
2. SECURE STABLE FUNDING FOR REGIONAL TRANSPORTATION PROJECTS INCLUDING REGIONAL PUBLIC TRANSIT AND TARGETED HIGHWAY INTERCHANGES AND REFORM ROLE OF AREA COMMISSIONS ON TRANSPORTATION.
3. INCREASE THE AMOUNT OF AND ACCESS TO AFFORDABLE AND AVAILABLE HOUSING THROUGH REGIONAL APPROACHES TO ASSIST MEMBER LOCAL GOVERNMENTS PROVIDE DIVERSE, EQUITABLE, AND SUSTAINABLE HOUSING THROUGHOUT OREGON.
4. Property Tax Reform. BM 5/50 have crippled local government budgets in our regional and across the state. This causes serious reductions in essential services and will only get worse. This is a systemic problem. Support Study of this by the Legislator.
5. Regional Public transit is critical to the Oregonians who use it and even those who do not.

Public transit connects people and places in both urban and rural areas. As a reliable commute option, it supports economic vitality by attracting business and workers. It enables rural residents to travel for jobs and services. It improves community health by supporting a more active lifestyle and reducing congestion and greenhouse gas emissions. Improving regional and intercity connections will benefit visitors and Oregonians who travel to other places for jobs, services, or other needs.

 - A. Support the West Line Extension Study Bill
 - B. Support Northern Marion County and Member Cities in Navigating Urbanization and Transportation Connections to Portland Metro and Support Control of these within the MWVCOG Region
6. Through future legislative bills and/or written and verbal testimony to the Oregon Transportation Commission, continue to support the highest-priorities project identified by the Mid-Area Area Commission on Transportations (MWACT). Project Priorities include:
 - **Newberg-Dundee Bypass (Yamhill County)**
 - **I-5 @ Aurora-Donald Interchange (Marion County)**
 - **OR22 @ OR51 (Polk County, near West Salem)**
 - **OR18 @ OR22 “Valley Junction” (Polk County, near Grand Ronde).**
7. Work with our partners at State Organizations who represent our Counties, Cities, and Special Districts to support legislation that will help all three types of COG Membership in an effort to make the Mid-Willamette Valley a premier region in the State of Oregon.

Appendix I.

Previous Priority Policy Positions (From 22-23 Approved Positions) with Continued Relevance

1. Protect and Preserve the Communities and Economy of the Santiam Canyon

As improvements are made to Detroit Reservoir in an effort to help reintroduce anadromous fish upstream of Willamette River dams and the region recovers from the devastating wildfires of September 2020, the MWVCOG will support legislation, initiatives and decisions that preserve economic development, housing development, recreation and the regions tourism economy, as well as protects the quality and quantity of downstream communities drinking water supply.

Most homes and businesses in the Santiam Canyon are not served by municipal wastewater systems and instead rely upon septic to treat wastewater. State laws and concerns about North Santiam River quality prohibit homeowners and businesses from rebuilding, expanding, or replacing failed septic system. Consequently, businesses and residents are leaving the Santiam Canyon and/or finding it more and more difficult to overcome barriers to redevelopment, having a negative economic consequence for the Mid-Willamette Valley region.

The MWVCOG will support state and/or federal legislation that enables and funds the newly created North Santiam Sewer Authority and the communities of the Santiam Canyon in-development of a regional wastewater system that is geologically suitable, environmentally sustainable, financially feasible and politically viable.

2. Increase Capacity for Rural Communities

Rural communities often lack staff to identify and apply for federal and state programs that would foster workforce development, build infrastructure, and enhance economic and community development. To provide this capacity, MWVCOG supports statewide efforts to develop and fund rural service centers to aid local governments in applying for federal and state resources. To maximize efficiencies and take advantage of existing capacity, MWVCOG supports using existing Economic Development Districts or Councils of Government to perform this function.

3. Support the Optional Use of Regional (vs. Local) Housing Needs Assessments and Economic Opportunity Analysis

The MWVCOG supports rule changes to OAR 660-024-0045 (Regional Large Lot Industrial Land) to provide a framework for local governments to work on the employment land supply at a more regional scale. The MWVCOG supports removing restrictions on Housing Needs Assessments (HNAs) and Economic Opportunity Analysis (EOAs) that limit such analysis

to areas within city limits (allowing counties and other cities in a region to participate, should they choose to do so). MWVCOG opposed the division of resources by the legislature or state agencies by prioritizing larger population cities or counties, the Metro area; or Eastern Oregon in the establishment of renewed or new funding programs and resources and instead encourages the equitable allocation of state and federal resources across all regional governments based on a variety of factors to include need, service demands, economic indicators, and population, to ensure no one area receives a disproportionate share of resources.

Other Major Policy Positions

5. Preserve Regional Voices Through the Area Commissions on Transportation (ACTs)

The MWVCOG supports legislation and/or policy direction that gives ACTs a voice in policy issues and a role in prioritizing projects for the Enhance Program, Connect Oregon Program, or other state-wide programs.

The MWVCOG supports legislation that empowers and enables the ACTs to work with ODOT and the OTC to develop modernization and multimodal plans and setting project funding priorities as part of 20-year plans. MWACT has approved a list of high-priority modernization projects in order to speak with one voice about priority transportation needs.

7. Broaden Federal Definition of Rural

The MWVCOG supports diversification of the definition of “rural area” in state and federal law to broaden eligibility for needed funding source for both federal and state sources based more upon merit and localized rural definitions. This will allow communities to work with federal and state staff to serve areas of greatest need and identify rural communities where, with collaboration, the greatest impact can be made.

Funding applications should be considered based upon a variety of factors that drive available funding to the most rural populations while also evaluating the most economic and community development potential- even if the overall result may benefit communities of population over 50,000.

8. Promote Equitable Broadband Development While Preserving Local Authority of Rights of Way

The MWVCOG supports legislation and legal actions that preserves and restores local government authority to manage public right of ways and local government’s ability to set rates and receive compensation for the use of right of ways. MWVCOG supports equitable broadband infrastructure deployment, especially in rural areas, while opposing any legislative efforts restricting municipal authority to provide their own broadband services.



MEMORANDUM

TO: **Board of Directors** **DATE: December 19, 2023**
Mid-Willamette Valley Council of Governments

FROM: **Executive Committee**
Mid-Willamette Valley Council of Governments

THRU: **Scott Dadson**, Executive Director

SUBJECT: Proposed COG Membership Fees and Economic Development District Assessment for FY 2024-25

Issue

- A. Should the Board adopt the attached Member Dues schedule for FY 2024-25?
- B. Should the Board adopt the attached Economic Development District (EDD) Assessment for FY 2024-25?
- C. Should the Board Reaffirm the rates for a non-profit affiliate and for-profit business partner programs that allows and strengthens partnerships between the COG and regional non-profits and for-profit companies for FY 2024-25?

Background

MWVCOG uses our membership dues and the EDD Assessment to leverage additional grant funding on behalf of our members and to support all COG member services. The COG Board and staff recognize the funding impacts that our members are likely to experience in the years to come and we hope that our staff have shown the importance and value that we provide to members in leveraging funds generally and strengthening our partnerships.

The COG Executive Committee wishes to affirm the respect and value we place upon your continued membership in service and support of our region and seek your feedback on other ways our staff and the COG Board can be of services to our members.

Section XIII of the Agreement of the Mid-Willamette Valley Council of Governments (MWVCOG) requires that the Executive Committee recommend a participation cost structure to the Council annually, no later than March prior to the fiscal budget cycle. Since most jurisdictions are well into their budget cycle by then, the Board has directed dues be established at the December meeting prior to going into effect in the following July.

In December 2006, the Board of Directors approved the recommendation from the Executive Committee that the per capita rate for membership fees be increased by the CPI on an annual basis.

The methodology approved by the Board of Directors for calculating Member dues is as follows:

A per capita rate is established (currently 0.546 for FY 2023-24) and multiplied by the jurisdiction's population as determined by Portland State Population Research Center. Because dues are required to be approved by the Board of Directors at their December meeting, the data we use is the most current available from published sources in November. The per capita rate is adjusted each year by the Consumer Price Index (CPI) for all wage earners in the Seattle area. The minimum and maximum amounts were previously established by the Board of Directors and have been adjusted by the CPI beginning in FY 2007-08.

The methodology for calculating Economic Development District Local Share Fees is as follows: The total amount of dues is determined by the Board of Directors to ensure match funding in order to access the full eligible award from the EDA (currently \$75,000 for FY 2024-25). That figure is multiplied by the percentage of the jurisdiction's population to the total population of the area served.

In FY 2012-13, a concession was granted to Polk County to reduce their member dues to \$5,000 because of loss of timber funds that created a financial hardship on the County. It was agreed that Polk County member dues would increase at least 5 percent (regardless of the CPI) until the dues deficit was made up.

Below is a historical representation of the Actual CPI and the rates the Board adopted. Last year the Board opted to apply a rate increase of 5% as opposed to the 8.6% Actual CPI in order to level increases to the members. This year we are offering 2 options. Option 1 is to increase by the amount of the CPI, Option 2 would apply a 4% increase to make up for the difference not applied last year.

History of Member Dues

| | <u>FY 2018-19</u> | <u>FY 2019-20</u> | <u>FY 2020-21</u> | <u>FY 2021-22</u> | <u>FY 2022-23</u> | <u>FY 2023-24</u> |
|---------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Actual CPI | 3.60% | 4.00% | 1.90% | 3.30% | 8.60% | 1.00% |
| Board Adopted | 3.60% | 4.00% | 1.90% | 3.30% | 5.00% | TBD |

Recommendation

On December 5, 2023, the Executive Committee recommended the COG Board:

A. Member Dues

Adopt one option in the attached Member Dues Schedule for FY 2024-25 which reflects the following adjustments:

- The most recent population estimates or equivalent
- Option 1, to increase the per capita rate by 1% which would
 - Increase the maximum cap from \$ \$45,308 to \$45,761
 - Increase the minimum base fee from \$1,377 to \$1,391

- Option 2, to increase the per capita rate by 4% which reflects the Seattle CPI-W for the first half of 2022(annualized amount) from the current \$ \$0.541 to \$0.563 which would
 - Increase the maximum cap by the CPI from \$ \$45,308 to \$47,120
 - Increase the minimum base fee by the CPI from \$1,377 to \$1,432

B. EDA Assessment

Adopt the proposed Economic Development District Local Assessment for FY 2024-25 which maintains minimum fee of \$161 which spreads the assessment among the other jurisdictions proportionately by population to ensure collection of a minimum of \$75,000, the amount required by the Economic Development Administration (EDA) as match for the EDA Planning Grant.

Discussion

The Option 2 adjustment to the Member Dues is in accordance with the policy adopted by the COG Board in 2006. It reflects population increases or decreases, if applicable. In the case of Polk County, dues were increased 5% from last year's dues. Overall, these adjustments result in an increase to the COG dues of \$26,831(.10%).

With respect to the Economic Development District Assessment, the MWVCOG uses these funds to leverage additional grants to its members. The minimum assessment in FY 2023-24 was \$161, with no increase for FY 2024-25. The remaining balance to meet a match of \$75,000 is spread out pro-rata based upon the jurisdiction's population. Unless requirements change from the EDA, it is anticipated the match requirement of \$75,000 would remain the same in subsequent years. Because the EDA allows staff time spent on certain project to be counted as "in-kind" match, staff will track and report such time, and any assessment amounts off-set by in-kind work will be carried forward and be taken into consideration, along with a reasonable reserve, when setting the total assessment target amount in future years.

Attachments:

COG Dues Schedule
EDD Dues Schedule

Mid-Willamette Valley Council of Governments
FY 2024-25 Membership Dues

| July 2020 Population | July 2021 Population | July 2022 Population | Jurisdiction | FY 2023-24 COG Dues | 1% Proposed FY 2024-25 COG Dues | 4% Proposed FY 2024-25 COG Dues |
|-------------------------|-------------------------|-------------------------|--|------------------------|---------------------------------------|---------------------------------------|
| 97,773 | 88,319 | 87,531 | MARION COUNTY (less member cities) | \$45,308 | \$ 46,219 | \$ 47,120 |
| 141,350 | 147,482 | 149,088 | City of Salem (Marion Co.)* | See Below | See Below | See Below |
| 4,215 | 4,237 | 4,212 | City of Aumsville | 2,407 | 2,300 | 2,279 |
| 1,023 | 1,133 | 1,123 | City of Aurora | 1,446 | 1,391 | 1,432 |
| 205 | 141 | 174 | City of Detroit | 1,377 | 1,391 | 1,432 |
| 995 | 1,012 | 1,006 | City of Donald | 1,377 | 1,391 | 1,432 |
| 498 | 470 | 510 | City of Gates | 1,377 | 1,391 | 1,432 |
| 2,624 | 2,596 | 2,692 | City of Gervais | 1,377 | 1,470 | 1,456 |
| 3,454 | 3,478 | 3,460 | City of Hubbard | 1,882 | 1,889 | 1,872 |
| 90 | 156 | 83 | City of Idanha | 1,377 | 1,391 | 1,432 |
| 3,335 | 3,339 | 3,329 | City of Jefferson | 1,806 | 1,818 | 1,801 |
| 38,585 | 39,458 | 39,561 | City of Keizer | 21,347 | 21,600 | 21,403 |
| 3,595 | 3,418 | 3,441 | City of Mt. Angel | 1,849 | 1,879 | 1,862 |
| 440 | 434 | 442 | City of St. Paul | 1,377 | 1,391 | 1,432 |
| 387 | 431 | 436 | City of Scotts Mills | 1,377 | 1,391 | 1,432 |
| 11,050 | 10,591 | 10,643 | City of Silverton | 5,730 | 5,811 | 5,758 |
| 8,159 | 8,265 | 8,326 | City of Stayton | 4,471 | 4,546 | 4,504 |
| 3,050 | 3,106 | 3,147 | City of Sublimity | 1,680 | 1,718 | 1,703 |
| 2,410 | 2,866 | 2,944 | City of Turner | 1,551 | 1,607 | 1,593 |
| 25,882 | 26,250 | 26,468 | City of Woodburn | 14,201 | 14,452 | 14,319 |
| 15,058 | 18,173 | 18,538 | POLK COUNTY (less member cities) | 8,682 | 9,117 | 9,117 |
| 29,768 | 30,212 | 30,517 | City of Salem (Polk Co.)* | See Below | See Below | See Below |
| 17,201 | 17,320 | 17,836 | City of Dallas | 8,920 | 9,738 | 9,649 |
| 1,000 | 1,064 | 1,028 | City of Falls City | 1,377 | 1,391 | 1,432 |
| 9,851 | 10,081 | 10,170 | City of Independence | 5,192 | 5,553 | 5,502 |
| 10,022 | 11,142 | 11,583 | City of Monmouth | 5,738 | 6,324 | 6,521 |
| 905 | 924 | 921 | City of Willamina (Polk Co.)** | See Below | See Below | See Below |
| 27,005 | 30,126 | 25,429 | YAMHILL COUNTY (less member cities) | 16,298 | 13,884 | 14,890 |
| 1,705 | 1,809 | 1,810 | City of Amity | 1,377 | 1,391 | 1,489 |
| 2,290 | 2,270 | 2,324 | City of Carlton | 1,377 | 1,391 | 1,489 |
| 2,745 | 2,698 | 2,666 | City of Dayton | 1,377 | 1,456 | 1,561 |
| 3,285 | 3,243 | 3,249 | City of Dundee | 1,754 | 1,774 | 1,902 |
| 4,255 | 4,446 | 4,487 | City of Lafayette | 2,405 | 2,450 | 2,627 |
| 34,615 | 34,251 | 34,515 | City of McMinnville | 18,530 | 18,845 | 20,209 |
| 24,120 | 20,496 | 25,767 | City of Newberg | 11,088 | 14,069 | 15,087 |
| 6,100 | 6,377 | 6,161 | City of Sheridan | 3,450 | 3,364 | 3,608 |
| 1,375 | 1,324 | 1,361 | City of Willamina (Yamhill Co.)** | See Below | See Below | See Below |
| 1,110 | 1,221 | 1,224 | City of Yamhill | 1,377 | 1,391 | 1,489 |
| | | | SPECIAL DISTRICTS | | 1,391 | |
| 5,500 | 5,693 | 7,140 | Salem Area Transit District | 3,080 | 3,898 | 4,181 |
| 10,151 | 17,670 | 17,670 | Chemeketa Community College | 5,228 | 9,648 | 10,346 |
| 41,177 | 39,488 | 40,319 | Salem/Keizer School District | 21,206 | 22,014 | 23,608 |
| | | | Willamette ESD | 1,377 | 1,391 | 1,489 |
| | | | Chehalem Park & Recreation District | 1,377 | 1,391 | 1,489 |
| | | | Marion SWCD | 1,377 | 1,391 | 1,489 |
| | | | Yamhill SWCD | 1,377 | 1,391 | 1,489 |
| | | | Lyons-Mehama Water District | | 1,391 | 1,489 |
| 5,689 | 6,680 | 5,659 | Confederated Tribes of the Grand Ronde | | | |
| | | | Community of Oregon | 2,930 | 3,090 | 3,313 |
| 171,118 | 177,694 | 179,605 | *City of Salem Total Fee | 43,150 | 45,761 | 49,005 |
| 2,280 | 2,248 | 2,282 | **City of Willamina Total Fee | 1,377 | 1,391 | 1,489 |
| | | | TOTALS | \$ 284,737 | \$ 301,331 | \$ 311,655 |

Mid-Willamette Valley Community Development Partnership Board
Economic Development District
FY 2024-25 Proposed Assessment

| July 2020 Population | July 2021 Population | July 2022 Population | Percent of Pop. | Jurisdiction | Proposed FY 24-25 Assessment |
|---------------------------------|---------------------------------|---------------------------------|----------------------------|-------------------------------------|---|
| 349,120 | 347,182 | 348,616 | 32.71% | Marion County | 23,841 |
| 83,805 | 88,916 | 90,593 | 8.50% | Polk County | 6,206 |
| 108,605 | 108,261 | 108,993 | 10.23% | Yamhill County | 7,469 |
| 4,215 | 4,237 | 4,212 | 0.40% | City of Aumsville | 292 |
| 985 | 1,133 | 1,123 | 0.11% | City of Aurora | 161 |
| 205 | 141 | 174 | 0.02% | City of Detroit | 161 |
| 995 | 1,012 | 1,006 | 0.09% | City of Donald | 161 |
| 495 | 470 | 510 | 0.05% | City of Gates | 161 |
| 2,620 | 2,596 | 2,692 | 0.25% | City of Gervais | 183 |
| 3,315 | 3,478 | 3,460 | 0.32% | City of Hubbard | 234 |
| 155 | 156 | 83 | 0.01% | City of Idanha | 161 |
| 3,280 | 3,339 | 3,329 | 0.31% | City of Jefferson | 226 |
| 38,585 | 39,458 | 39,561 | 3.71% | City of Keizer | 2,709 |
| 3,520 | 3,418 | 3,441 | 0.32% | City of Mt. Angel | 234 |
| 440 | 434 | 442 | 0.04% | City of St. Paul | 161 |
| 168,970 | 177,694 | 179,605 | 16.85% | City of Salem | 12,302 |
| 385 | 431 | 436 | 0.04% | City of Scotts Mills | 161 |
| 10,520 | 10,591 | 105,643 | 9.91% | City of Silverton | 7,235 |
| 7,780 | 8,265 | 8,326 | 0.78% | City of Stayton | 569 |
| 3,050 | 3,106 | 3,147 | 0.30% | City of Sublimity | 219 |
| 2,410 | 2,866 | 2,994 | 0.28% | City of Turner | 204 |
| 25,185 | 26,250 | 26,468 | 2.48% | City of Woodburn | 1,811 |
| 16,555 | 17,320 | 17,836 | 1.67% | City of Dallas | 1,219 |
| 1,000 | 1,064 | 1,028 | 0.10% | City of Falls City | 161 |
| 9,675 | 10,081 | 10,170 | 0.95% | City of Independence | 694 |
| 9,940 | 11,142 | 11,583 | 1.09% | City of Monmouth | 796 |
| 1,705 | 1,809 | 1,810 | 0.17% | City of Amity | 161 |
| 2,290 | 2,270 | 2,324 | 0.22% | City of Carlton | 161 |
| 2,745 | 2,698 | 2,666 | 0.25% | City of Dayton | 183 |
| 3,285 | 3,243 | 3,249 | 0.30% | City of Dundee | 219 |
| 4,155 | 4,446 | 4,847 | 0.45% | City of Lafayette | 329 |
| 34,615 | 34,251 | 34,357 | 3.22% | City of McMinnville | 2,351 |
| 24,120 | 20,496 | 25,767 | 2.42% | City of Newberg | 1,767 |
| 6,100 | 6,377 | 6,151 | 0.58% | City of Sheridan | 423 |
| 2,280 | 2,248 | 2,282 | 0.21% | City of Willamina | 161 |
| 1,110 | 1,221 | 1,224 | 0.11% | City of Yamhill | 161 |
| | | | | Confederated Tribes of the Grand | |
| 5,689 | 6,680 | 5,659 | 0.53% | Ronde Community of Oregon | 387 |
| | | | | Marion SWCD | 161 |
| | | | | Chemeketa Community College | 161 |
| | | | | Chehalem Park & Recreation District | 161 |
| | | | | Salem/Keizer School Dist | 161 |
| | | | | Salem Area Transit District | 161 |
| | | | | WESD | 161 |
| <u>943,904</u> | <u>958,780</u> | <u>1,065,807</u> | <u>100%</u> | TOTALS | <u>\$ 75,000</u> |



MEMORANDUM

TO: Board of Directors
Mid-Willamette Valley Council of Governments

DATE: December 13, 2023

FROM: Scott Dadson
Executive Director

RE: Election of Officers for 2024

Action Requested

Approve the following CY 2024 MWVCOG slate of officers:

- Chair: Ian Davidson, Salem Area Mass Transit District (Cherriots)
- Vice Chair: Roxanne Beltz,
- Immediate Past Chair: Tribal Councilwoman Lisa Leno, Confederated Tribes of Grand Ronde
- Besty Earls, Chemeketa Community College Board Member

Background

Under the 190 Agreement, the Executive Committee annually nominates a Chair and Vice Chair to the COG Board for the new calendar year. The Agreement provides that the Immediate Past Chair, McMinnville Councilor Sal Peralta, will automatically serve on the Executive Committee for one year; and that a fourth member be selected by the Board Chair.

After discussion at their December 5, 2023, meeting, the Executive Committee is recommending that the current officers be elected in accordance with the ORS 190 Agreement, with Chemeketa Board Member Betsy Earls being appointed to the fourth position on the Executive Committee. Vice Chair Davidson has spoken with Ms. Earls, who has agreed to serve if elected.



MEMORANDUM

TO: Board of Directors
Mid-Willamette Valley Council of Governments

DATE: December 14, 2023

FROM: Linda Hansen
Administrative Support Coordinator

RE: Meeting Dates and Times for 2024

Discussion and Action

The COG Board meetings have historically taken place quarterly on the third Tuesday of the month (March, June, September and December). The Executive Committee has requested that the staff explore the meeting time on that day, to best ensure that we will have a quorum for those meetings. A 2-question survey was sent out to the Board members, and 11 individuals responded, with 6 people saying that they could attend at 10:00 a.m. and 5 people saying that they could attend at noon. 10:00 a.m. and noon were also the two preferred times when ranked. However, this isn't enough information to ensure a quorum when we meet, so staff is requesting that the Board have a discussion regarding the meeting time in the upcoming year and then make a motion as to what time the meetings will take place in 2024.

The Executive Committee has moved its meetings to noon on the first Thursday of the month for 2024. Noon was the preferred time and moving to Thursday accommodates other staff commitments at noon on the first Tuesday of the month.

MWVCOG BOARD OF DIRECTORS MEETING SCHEDULE FOR CALENDAR YEAR 2024

| <u>Date</u> | <u>Location</u> |
|--|---|
| Thursday January 25, 2024 New Member Orientation 4:00 p.m. | Zoom or COG Offices 100 High Street SE, Suite 200 Salem, Oregon |
| Wednesday February 28 Annual Meeting 6:00 p.m. | In Person Grand Ronde |
| Thursday March 7, noon Executive Committee | Zoom or COG Offices |
| Tuesday March 19, Board of Directors | Zoom or COG Offices |
| Tuesday May 21, noon Budget Committee | Zoom or COG Offices |
| Thursday June 6, noon Executive Committee | Zoom or COG Offices |
| Tuesday June 18 Board of Directors & Budget Hearing | Zoom or COG Offices |
| Thursday September 12, noon Executive Committee | Zoom or COG Offices |
| Tuesday September 17, Board of Directors | Zoom or COG Offices |
| Thursday December 5, noon Executive Committee | Zoom or COG Offices |
| Tuesday December 17, Board of Directors | Zoom or COG Offices |

- Board meetings are scheduled to begin at **XX**, except for the annual meeting, which is in the evening.
- Executive Committee meetings are scheduled to begin at noon on the first Thursday of the month.
- The Budget Committee will meet at noon.
- The Budget Hearing will be part of the June COG Board Meeting.

***MID-WILLAMETTE VALLEY COUNCIL
OF GOVERNMENTS
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2023***

MID-WILLAMETTE VALLEY COUNCIL OF GOVERNMENTS
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MID-WILLAMETTE VALLEY COUNCIL OF GOVERNMENTS
BOARD OF DIRECTORS, OFFICERS AND EXECUTIVE DIRECTOR
JUNE 30, 2023

Board Member

Commissioner Danielle Bethel
Commissioner Jeremy Gordon
Commissioner Kit Johnson
Mayor Ken Woods
Mayor Cathy Clark
Councilor Sal Peralta
Mayor Roxanne Beltz
Mayor Bill Rosacker
Mayor Chris Hoy
Mayor Frank Lonergan
Mayor Jim Kingsbury
Mayor John McArdle
Mayor Linda Watkins
Matthew Smith
Betsy Earls
Ian Davidson
Brenda Sanchez
Maria Hinojos-Pressey
Frank W. Pender, Jr.
Tribal Councilwoman Lisa Leno

Member Government

Marion County
Polk County
Yamhill County
City of Dallas
City of Keizer
City of McMinnville
City of Monmouth
City of Newberg
City of Salem
City of Woodburn
Small Cities of Marion County
Small Cities of Polk County
Small Cities of Yamhill County
Chehalem Park and Recreation District
Chemeketa Community College
Salem Area Mass Transit District (Cherriots)
Marion Soil & Water Conservation District
Salem-Keizer School District
Willamette Education Service District
The Confederated Tribes of the Grand Ronde

OFFICERS

Chairperson – Tribal Councilwoman Lisa Leno
Vice-Chairperson – Ian Davidson
Past Chair – Councilor Sal Peralta

EXECUTIVE DIRECTOR

Scott Dadson

100 High Street SE, Suite 200
Salem, Oregon 97301



GROVE, MUELLER & SWANK

redw
Advisors & CPAs

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Mid-Willamette Valley Council of Governments
Salem, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the major fund of Mid-Willamette Valley Council of Governments (MWVCOG), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise MWVCOG's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of Mid-Willamette Valley Council of Governments as of June 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. 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 MWVCOG 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.

Responsibilities of Management for the Financial Statements

MWVCOG's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 MWVCOG's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise a substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of MWVCOG'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 MWVCOG'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis; the schedule of revenues, expenditures, and changes in fund balance – general fund - budget and actual; and the schedule of changes in total OPEB liability and related ratios as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, except as noted below.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise MWVCOG's basic financial statements. The budgetary schedule described above was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial

statements. The budgetary schedule 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 budgetary schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.


Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2023, on our consideration of the MWVCOG's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering MWVCOG's internal control over financial reporting and compliance.

Other Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 14, 2023 on our consideration of MWVCOG's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

GROVE, MUELLER & SWANK, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

By: 
Ryan T. Pasquarella, Principal
December 14, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

MID-WILLAMETTE VALLEY COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023

As management of Mid-Willamette Valley Council of Governments (MWVCOG), we offer readers of MWVCOG's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2023.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of MWVCOG exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$3,886,608 (net position). Of this amount, \$538,973 (net position - unrestricted) may be used to meet MWVCOG's ongoing obligations to citizens and creditors.
- MWVCOG's total net position decreased by \$605,229.
- MWVCOG continued to operate without the need for debt borrowings during the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to MWVCOG's basic financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves. MWVCOG is established under the authority of Chapter 190 of the Oregon Revised Statutes as an intergovernmental entity engaged in providing services to local governments in Marion, Polk, and Yamhill counties.

The basic financial statements are designed to provide readers with an overview of MWVCOG's finances, in a manner similar to a private-sector business.

Entity Financial Statements. The *statement of net position* presents information on all of MWVCOG's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of MWVCOG is improving or deteriorating.

The *statement of activities* presents information showing how MWVCOG's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The functions of MWVCOG are principally supported by intergovernmental revenues. MWVCOG's functions are determined by MWVCOG's member governments and may change from time to time. MWVCOG's current functions include providing loans to local businesses, community and economic development programs and transportation planning, which are funded primarily with grant revenue through the State from the U.S. Department of Commerce and U.S. Department of Transportation.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. MWVCOG uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. MWVCOG has one fund that accounts for all the activities of MWVCOG.

The fund is used to account for essentially the same functions reported in the entity-wide financial statements. Unlike the entity financial statements, the fund financial statements focus on near term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating near-term financial requirements.

MID-WILLAMETTE VALLEY COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
YEAR ENDED JUNE 30, 2023

USING THIS ANNUAL REPORT

MWVCOG's annual report consists of financial statements that show information about MWVCOG's activities. MWVCOG management has established controls to manage funds for particular purposes or to show that it is meeting legal responsibilities to its membership. MWVCOG uses the full accrual method of accounting in which all assets and all liabilities associated with its operation are included on the statement of net position. The focus is on income measurement, which, together with the maintenance of equity, is an important financial indication.

Our auditor has provided assurance in the independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the basic financial statements are fairly stated in all material respects. Varying degrees of assurance are being provided by the auditor regarding the other information included in this report. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

FINANCIAL ANALYSIS

MWVCOG's net position was \$3,866,608 at June 30, 2023. Of this amount, \$538,973 was unrestricted, \$2,368,667 was restricted for loan programs and other grants, and \$958,968 was invested in capital assets.

| | <i>June 30,</i> | |
|--------------------------------|---------------------|---------------------|
| | <i>2023</i> | <i>2022</i> |
| Current assets | \$ 3,615,098 | \$ 2,999,502 |
| Capital assets, net | 958,968 | 1,123,180 |
| Loans receivable | 2,356,549 | 2,977,660 |
| <i>Total Assets</i> | 6,930,615 | 7,100,342 |
| Deferred outflows of resources | 14,379 | 13,689 |
| Liabilities | 3,060,218 | 2,642,194 |
| Net Position | | |
| Investment in capital assets | 958,968 | 1,123,180 |
| Restricted | 2,368,667 | 1,700,126 |
| Unrestricted | 538,973 | 1,648,531 |
| <i>Total Net Position</i> | <u>\$ 3,866,608</u> | <u>\$ 4,471,837</u> |

MID-WILLAMETTE VALLEY COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
YEAR ENDED JUNE 30, 2023

FINANCIAL ANALYSIS (Continued)

| | <i>Year Ended June 30,</i> | |
|-------------------------------|----------------------------|--------------|
| | <i>2023</i> | <i>2022</i> |
| Revenues | | |
| Program revenues | \$ 3,531,356 | \$ 5,268,953 |
| General revenues | 213,556 | 475,348 |
| <i>Total Revenues</i> | 3,744,912 | 5,744,301 |
| Expenses | | |
| Program expenses | 4,186,349 | 4,802,717 |
| Depreciation | 163,792 | 163,792 |
| <i>Total Expenses</i> | 4,350,141 | 4,966,509 |
| <i>Change in Net Position</i> | \$ (605,229) | \$ 777,792 |

Overall agency revenues decreased by \$1,999,389 from the previous year. Major changes impacting revenue were revenues from program revenue decreasing by \$1,737,597. The decrease in program revenue is primarily due to a decrease in operating grants and contributions received compared to the prior year. Additionally, general revenue decreased by \$261,792. The decrease in general revenues is primarily due to a fewer number of contracts where COG served as a pass-through agency or project manager, decreasing the incremental income from managing projects.

Overall agency expenses decreased \$616,368. Major changes impacting expenses were a decrease to member services and administration expenses as well as transportation and environmental planning expenses by \$135,931 and \$595,908 respectively. These were partially offset by community development expenditures increasing by \$115,471.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the financial statements can be found on pages 12 through 21 of this report.

CAPITAL AND LEASE ASSETS

At June 30, 2023, MWVCOG had \$28,230 invested in capital assets. This investment is offset by \$20,249 of accumulated depreciation. Net capital assets decreased by \$5,714 which was a combination of disposed of office equipment and furniture as well as current year depreciation expense. At June 30, 2023, the right to use asset for the lease of the office space was \$950,987. This is offset by a lease payable on the balance sheet of \$1,018,312.

MID-WILLAMETTE VALLEY COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
YEAR ENDED JUNE 30, 2023

GENERAL FUND BUDGETARY INFORMATION

MWVCOG adopts an annual appropriated budget. A budgetary comparison statement has been provided to demonstrate compliance with this budget. The budget is adopted on the modified accrual basis. There was one budget adjustment for the appropriation of additional grant funds received during the year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

MWVCOG is primarily dependent upon state and federal funding of operations; and is therefore affected by economic conditions. The budget for FY 2023-24 has already been approved. There were no major changes in relation to the previous year.

CONTACTING MID-WILLAMETTE VALLEY COUNCIL OF GOVERNMENTS

Our financial report is designed to provide our citizens and creditors with a general overview of Mid-Willamette Valley Council of Governments' finances and to show MWVCOG's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Amber Mathiesen, Finance Director, Mid-Willamette Valley Council of Governments.

BASIC FINANCIAL STATEMENTS

MID-WILLAMETTE VALLEY COUNCIL OF GOVERNMENTS
STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS

Current Assets

| | |
|-------------------------------------|--------------|
| Cash and cash equivalents | \$ 2,862,101 |
| Accounts receivable | 716,725 |
| Prepaid expenses | 26,508 |
| Interest receivable | 6,183 |
| Loans receivable, current portion | 136,668 |
| Recovery accrued indirect carryover | 3,581 |

| | |
|-----------------------------|-----------|
| <i>Total Current Assets</i> | 3,751,766 |
|-----------------------------|-----------|

Noncurrent Assets

| | |
|--|-----------|
| Capital assets, net of amortization and depreciation | 958,968 |
| Loans receivable, long-term portion | 2,219,881 |

| | |
|--------------------------------|-----------|
| <i>Total Noncurrent Assets</i> | 3,178,849 |
|--------------------------------|-----------|

| | |
|---------------------|-----------|
| <i>Total Assets</i> | 6,930,615 |
|---------------------|-----------|

DEFERRED OUTFLOWS OF RESOURCES

| | |
|---------------------------------------|--------|
| Deferred outflows of resources - OPEB | 14,379 |
|---------------------------------------|--------|

LIABILITIES

Current Liabilities

| | |
|----------------------------------|-----------|
| Accounts payable | 321,997 |
| Accrued payroll | 27,235 |
| Accrued compensated absences | 147,219 |
| Unearned revenue | 1,465,977 |
| Current portion of lease payable | 140,220 |

| | |
|----------------------------------|-----------|
| <i>Total Current Liabilities</i> | 2,102,648 |
|----------------------------------|-----------|

Noncurrent Liabilities

| | |
|----------------|---------|
| OPEB liability | 79,478 |
| Lease payable | 878,092 |

| | |
|-------------------------------------|---------|
| <i>Total Noncurrent Liabilities</i> | 957,570 |
|-------------------------------------|---------|

| | |
|--------------------------|-----------|
| <i>Total Liabilities</i> | 3,060,218 |
|--------------------------|-----------|

DEFERRED INFLOWS

| | |
|--------------------------------------|--------|
| Deferred inflows of resources - OPEB | 18,168 |
|--------------------------------------|--------|

NET POSITION

| | |
|------------------------------|-----------|
| Investment in capital assets | 958,968 |
| Restricted | 2,368,667 |
| Unrestricted | 538,973 |

| | |
|---------------------------|--------------|
| <i>Total Net Position</i> | \$ 3,866,608 |
|---------------------------|--------------|

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

MID-WILLAMETTE VALLEY COUNCIL OF GOVERNMENTS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

| | | | | <i>Net (Expenses) Revenues and Changes in in Net Position</i> |
|--|---------------------|---------------------------------|---|---|
| | <i>Expenses</i> | <i>Charges for Services</i> | <i>Operating Grants and Contributions</i> | |
| <i>FUNCTIONS/PROGRAMS</i> | | | | |
| Member services and administration | \$ 526,388 | \$ 380,100 | \$ - | \$ (146,288) |
| Transportation and environmental planning | 2,139,271 | 221,197 | 1,514,118 | (403,956) |
| Community development | 1,684,482 | 926,127 | 489,814 | (268,541) |
| | | | | |
| <i>Total Activities</i> | <u>\$ 4,350,141</u> | <u>\$ 1,527,424</u> | <u>\$ 2,003,932</u> | (818,785) |
| | | | | |
| <i>General Revenues:</i> | | | | |
| Interest earned | | | | 140,555 |
| Other revenues | | | | 73,001 |
| | | | | |
| <i>Total General Revenues</i> | | | | <u>213,556</u> |
| | | | | |
| <i>Change in Net Position</i> | | | | (605,229) |
| | | | | |
| <i>Net Position - beginning of year</i> | | | | <u>4,471,837</u> |
| | | | | |
| <i>Net Position - end of year</i> | | | | <u>\$ 3,866,608</u> |

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

MID-WILLAMETTE VALLEY COUNCIL OF GOVERNMENTS
BALANCE SHEET
JUNE 30, 2023

ASSETS

| | |
|---------------------------|----------------------------|
| Cash and cash equivalents | \$ 2,862,101 |
| Accounts receivable | 716,725 |
| Prepaid expenses | 26,508 |
| Interest receivable | 9,762 |
| | <hr/> |
| <i>Total Assets</i> | <u><u>\$ 3,615,096</u></u> |

LIABILITIES AND FUND BALANCE

Liabilities

| | |
|------------------------------|------------------|
| Accounts payable | \$ 321,997 |
| Accrued payroll | 27,235 |
| Accrued compensated absences | 147,219 |
| Unearned revenue | 1,465,977 |
| | <hr/> |
| <i>Total Liabilities</i> | <u>1,962,428</u> |

Fund Balance

| | |
|---------------------------|------------------|
| Nonspendable | 26,508 |
| Unassigned | 1,626,160 |
| | <hr/> |
| <i>Total Fund Balance</i> | <u>1,652,668</u> |

| | |
|---|----------------------------|
| <i>Total Liabilities and Fund Balance</i> | <u><u>\$ 3,615,096</u></u> |
|---|----------------------------|

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION

| | |
|---|----------------------------|
| <i>Fund Balance</i> | \$ 1,652,668 |
| Capital assets are not financial resources in governmental funds, but are reported in the Statement of Net Position at their net depreciable value: | |
| Capital assets, cost | 1,296,213 |
| Accumulated depreciation | (337,245) |
| Long-term notes receivable are not a financial resource in governmental funds, but are reported in the Statement of Net Position | 2,356,549 |
| Lease payables are not a financial resource in governmental funds, but are reported in the Statement of Net Position | (1,018,312) |
| Total OPEB liability and related deferred outflows and inflows | <hr/> (83,265) |
| <i>Net Position</i> | <u><u>\$ 3,866,608</u></u> |

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

MID-WILLAMETTE VALLEY COUNCIL OF GOVERNMENTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2023

REVENUES

| | |
|-----------------------|--------------|
| Intergovernmental | |
| Grants and contracts | \$ 2,003,933 |
| Local | |
| Charges for services | 1,527,424 |
| Interest on loans | 103,788 |
| Other revenues | 730,877 |
| | <hr/> |
| <i>Total Revenues</i> | 4,366,022 |

EXPENDITURES

| | |
|---|-----------|
| Current | |
| Member services and administration | 498,976 |
| Transportation and environmental planning | 2,139,271 |
| Community development | 1,684,482 |
| | <hr/> |
| <i>Total Expenditures</i> | 4,322,729 |

| | |
|-----------------------------------|--------|
| NET CHANGE IN FUND BALANCE | 43,293 |
|-----------------------------------|--------|

| | |
|--|-----------|
| FUND BALANCE, Beginning of year | 1,609,375 |
|--|-----------|

| | |
|----------------------------------|----------------------------|
| FUND BALANCE, End of year | <u><u>\$ 1,652,668</u></u> |
|----------------------------------|----------------------------|

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES**

| | |
|-----------------------------------|-----------|
| <i>Net Change in Fund Balance</i> | \$ 43,293 |
|-----------------------------------|-----------|

Capital outlays are reported as expenditures in governmental funds. However, the Statement of Activities allocates the cost of capital outlay over the estimated useful life as depreciation expense:

| | |
|-------------------------------|-----------|
| Capital asset deletions | (420) |
| Depreciation and amortization | (163,792) |

| | |
|---|-----------|
| Fund accounting reports the loan repayments as revenues | (621,111) |
|---|-----------|

| | |
|--|---------|
| Fund accounting reports lease principal repayments as expenditures | 129,787 |
|--|---------|

| | |
|---|-------|
| OPEB revenue is reported at the government-wide level but is not considered current financial resources and, therefore, is not reported as revenue in the fund financial statements | 7,014 |
|---|-------|

| | |
|-------------------------------|----------------------------|
| <i>Change in Net Position</i> | <u><u>\$ (605,229)</u></u> |
|-------------------------------|----------------------------|

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

MID-WILLAMETTE VALLEY COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

ORGANIZATIONAL STRUCTURE

Mid-Willamette Valley Council of Governments (MWVCOG) is a voluntary organization comprised of local governments included within the boundaries of Marion, Polk, and Yamhill Counties. It is established under the authority of Chapter 190 of the Oregon Revised Statutes.

MWVCOG's Board of Directors is composed of elected officials from member governments per charter, the Commissioners from Marion, Polk and Yamhill counties, the Mayors and Councilors from member cities, and board members from other member entities.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

All significant activities and organizations over which MWVCOG exercises oversight responsibility have been included in the financial statements. Evaluation of the reporting entity was in accordance with generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB).

A component unit is a legally separate organization for which elected officials of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. MWVCOG does not have any component units.

Financial Statements

The financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of MWVCOG. Program revenues include a) charges for goods and services provided by a given function and b) grants and contract related revenues that are restricted to meeting operational or capital requirements of a particular function. Other items not properly included among program revenues are reported instead as general revenues.

Fund Balance

In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which MWVCOG is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Governmental Fund type fund balances are reported in the following classifications:

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance (Continued)

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

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

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned within the General Fund.

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

Basis of Presentation and Method of Accounting

The accompanying financial statements are presented in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to government entities.

The statement of net position and statement of activities display information about the reporting entity as a whole. These statements focus on the sustainability of MWVCOG as an entity and the change in aggregate financial position resulting from the activities of the year. These statements are reported using the economic resources measurement focus and the accrual method of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows.

The accounts of MWVCOG are organized in a single fund (General Fund) which is used to account for MWVCOG activities. Revenues are principally from intergovernmental sources. The General Fund is reported on the balance sheet and statement of revenues, expenditures and changes in fund balance using the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, MWVCOG considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred.

Budgets and Budgetary Accounting

The administrative and fiscal staff prepares a budget for each of the separate projects and for the total operation of MWVCOG. The budget is submitted to the Board of Directors for approval, modification, and adoption. The budget is prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when a liability is incurred, as under accrual accounting.

MID-WILLAMETTE VALLEY COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For financial reporting purposes, MWVCOG considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents including the investment in the Local Government Investment Pool.

Oregon statutes and MWVCOG's policy authorize MWVCOG to invest in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, commercial paper, and the Oregon State Treasurer's Local Government Investment Pool, among others. In addition, MWVCOG maintains an investment policy which is readopted annually by the Board.

Capital and Lease Assets

Capital assets with a cost greater than \$5,000 and a life longer than one year are recorded at cost or estimated historical cost. Lease assets are recorded at their net present value of future lease payments. Depreciation is recorded on the books of MWVCOG using the straight-line method over estimated useful lives ranging from three to ten years. Lease assets are amortized using the straight-line method over the term of the lease.

Lease Payables

In accordance with GASB 87, right to use leases are recorded as payables in the government-wide financial statements Statement of Net Position and amortized over the term of the lease.

Compensated Absences Payable

Total unpaid compensated absences at June 30, 2023 were recorded on the books of MWVCOG based on total vested hours multiplied by current wage rates.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. MWVCOG reports deferred outflow of resources related to the total OPEB liability for contributions made after the June 30, 2022 measurement date.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. MWVCOG reports deferred inflows of resources related to the total OPEB liability for changes in projected earnings versus actual earnings and contribution versus proportionate share of contributions.

MID-WILLAMETTE VALLEY COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unearned Revenue

MWVCOG reports unearned revenue on its statement of net position. Unearned revenues arise when resources are received by MWVCOG before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when MWVCOG has a legal claim to the resources, the liability for unearned revenue is removed from the statement of net position and revenue is recognized. Dues and contract monies received in advance are recorded as unearned revenue.

Income Taxes

MWVCOG is exempt from Federal income taxes under Internal Revenue Code Section 115.

Property Taxes

MWVCOG is exempt from taxes for all real and personal property, including property held under lease or lease purchase agreements under ORS 456.220 and ORS 456.225 of Oregon law.

Retirement Plan

MWVCOG participates in a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. All career employees working 600 or more hours per year are eligible to participate in the plan after six months of employment. The employer contributions for each employee are fully vested after three years of continuous service.

Risk Management

MWVCOG is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. MWVCOG carries commercial insurance for risks of loss including workers' compensation, property, general liability, umbrella, automobile liability, directors and officer's liability and employee dishonesty coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reporting amounts of certain assets, liabilities, revenues, and expenses. Actual results may differ from such estimates. Financial statement items particularly sensitive to estimates are the allowance for doubtful accounts, and the useful lives of property and equipment.

MID-WILLAMETTE VALLEY COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

CASH AND CASH EQUIVALENTS

| | |
|--|--------------|
| Petty cash | \$ 176 |
| Cash in banks | 2,639,188 |
| Local Government Investment Pool (at cost) | 222,737 |
| | <hr/> |
| | \$ 2,862,101 |
| | <hr/> |

Deposits

At June 30, 2023, the book balance of MWVCOG's bank deposits (checking and saving accounts) was \$2,639,188 and the bank balance was \$2,673,734. Bank deposits are secured by federal deposit insurance to legal limits.

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, MWVCOG's deposits may not be returned. The Federal Deposit Insurance Corporation (FDIC) provides insurance for MWVCOG's deposits with financial institutions up to \$250,000 each for the aggregate of all demand accounts and the aggregate of all time and savings deposits accounts at each institution. Deposits not covered, if any, are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon. The PFCP is a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized, or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities. At June 30, 2023, \$1,544,176 of MWVCOG's bank balances were exposed to custodial credit risk as part of the Public Funds Collateralization Program.

Investments

The State Treasurer of the State of Oregon maintains the Oregon Short Term Fund, of which the Local Government Investment Pool is part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, the investment funds are invested as a prudent investor would do, exercising reasonable care, skill, and caution. The Oregon Short Term Fund is the LGIP for local governments and was established by the State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895).

At June 30, 2023, the fair value of the position in the Oregon State Treasurer's Short Term Investment Pool was approximately equal to the value of the pool shares. The investment in the Oregon Short Term Fund is not subject to risk evaluation. The LGIP is not rated for credit quality. Separate financial statements for the Oregon Short Term Fund are available from the Oregon State Treasurer.

MID-WILLAMETTE VALLEY COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

CASH AND CASH EQUIVALENTS (continued)

Interest Rate Risk

In accordance with its investment policy, MWVCOG manages its exposure to declines in fair value of its investments by limiting the weighted average maturity of its investments.

Custodial Risk - Investments

The LGIP is administered by the Oregon State Treasury with the advice of other state agencies and is not registered with the U.S. Securities and Exchange Commission. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision, or public corporation of the state that by law is made the custodian of or has control of any fund. The LGIP is commingled with the State's short-term funds.

In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short Term Fund Board, which has established diversification percentages and specifies the types and maturities of the investments. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP. These investments within the LGIP must be invested and managed as a prudent investor would, exercising reasonable care, skill and caution. Professional standards indicate that the investments in external investment pools are not subject to custodial risk because they are not evidenced by securities that exist in physical or book entry form. Nevertheless, management does not believe that there is any substantial custodial risk related to investments in the LGIP.

LOANS RECEIVABLE

Loans receivable consist of amounts outstanding under MWVCOG's revolving loan program. Loans receivable principal and interest collected are reserved for future loans and the payment of administrative expenses related to the program. MWVCOG uses the specific identification method when accounting for bad debts. At June 30, 2023, it was determined by MWVCOG that no allowance for doubtful accounts was deemed necessary.

The outstanding loans are collateralized by tangible assets and are payable in monthly or quarterly installments which include interest at 5.0 to 7.0% per annum.

Future maturities of the loans receivable are as follows:

| <i>Year Ending June 30,</i> | |
|--|--------------|
| 2024 | \$ 136,668 |
| 2025 | 218,967 |
| 2026 | 359,115 |
| 2027 | 128,740 |
| 2028 | 114,659 |
| Thereafter | 1,398,400 |
| | <hr/> |
| | \$ 2,356,549 |
| | <hr/> |

MID-WILLAMETTE VALLEY COUNCIL OF GOVERNMENTS**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2023****CAPITAL ASSETS**

| | <i>June 30, 2022</i> | <i>Additions</i> | <i>Deletions</i> | <i>June 30, 2023</i> |
|--|--------------------------|---------------------|------------------|--------------------------|
| Capital assets amortized and depreciated | | | | |
| Office equipment | \$ 112,972 | \$ - | \$ (102,242) | \$ 10,730 |
| Office furniture | 15,295 | - | (15,295) | - |
| Vehicles | 17,500 | - | - | 17,500 |
| Right to use leased building | 1,267,983 | - | - | 1,267,983 |
| <i>Total capital assets amortized and depreciated</i> | 1,413,750 | - | (117,537) | 1,296,213 |
| Accumulated depreciation | | | | |
| Office equipment | (106,615) | (2,039) | 101,040 | (7,614) |
| Office furniture | (16,077) | - | 16,077 | - |
| Vehicles | (9,380) | (3,255) | - | (12,635) |
| Accumulated amortization | | | | |
| Right to use leased building | (158,498) | (158,498) | - | (316,996) |
| <i>Total accumulated depreciation and amortization</i> | (290,570) | (163,792) | 117,117 | (337,245) |
| <i>Total capital assets, net</i> | <u>\$ 1,123,180</u> | <u>\$ (163,792)</u> | <u>\$ (420)</u> | <u>\$ 958,968</u> |

LONG-TERM LIABILITIES

Lease Payable – MWVCOG leases office space for their headquarters from Mission, LLC. The current agreement, which began March 13, 2012, had an original base rent of \$10,500 monthly with annual escalators for seven years. MWVCOG exercised an option to renew the lease which is currently set to expire June 30, 2029. The lease payable was calculated using a discount rate of 3.75%.

At June 30, 2023, future principal and interest payments for the lease payable is as follows:

| <i>Year Ending June 30,</i> | <i>Principal</i> | <i>Interest</i> |
|---------------------------------|---------------------|-------------------|
| 2024 | \$ 140,220 | \$ 38,187 |
| 2025 | 151,213 | 32,928 |
| 2026 | 162,790 | 27,258 |
| 2027 | 174,979 | 21,153 |
| 2028 | 187,807 | 14,592 |
| 2029 | 201,303 | 7,549 |
| | <u>\$ 1,018,312</u> | <u>\$ 141,667</u> |

MID-WILLAMETTE VALLEY COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description – MWVCOG’s single-employer defined benefit postemployment healthcare plan is administered by City county Insurance Services (CIS). Benefit provisions are established through negotiations between the MWVCOG and representatives of MWVCOG or through resolutions passed by the Board of Directors. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

MWVCOG’s postemployment healthcare plan administrator issues a publicly available financial report that includes financial statements and required supplementary information for CIS. This report may be obtained by writing to the CIS Main Office, 1212 Court Street NE, Salem OR 97301.

Benefits Provided - The plan provides eligible retirees and their dependents under age 65 the same health care coverage at the same premium rates as offered to active employees. The retiree is responsible for the premiums. As of the valuation date of July 1, 2022, the following employees were covered by the benefit terms:

| | |
|---|------------------|
| Inactive employees/beneficiaries receiving benefits | 1 |
| Active employees | <u>20</u> |
| | <u><u>21</u></u> |

Total OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - MWVCOG’s total OPEB liability of \$79,478 was measured as of June 30, 2022, and was determined by an actuarial valuation as of July 1, 2022.

For the fiscal year ended June 30, 2023, MWVCOG recognized OPEB expense from this plan of \$7,014. At June 30, 2023, MWVCOG reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

| | <u><i>Deferred Outflow of Resources</i></u> | <u><i>Deferred Inflow of Resources</i></u> |
|--|---|--|
| Differences between expected and actual experience | \$ - | \$ 11,072 |
| Changes of assumptions | 2,273 | 7,096 |
| Benefit payments | 12,106 | - |
| Total | <u>\$ 14,379</u> | <u>\$ 18,168</u> |

MID-WILLAMETTE VALLEY COUNCIL OF GOVERNMENTS**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2023**

POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Deferred outflows of resources related to OPEB of \$12,106 resulting from the MWVCOG's benefit payments will be recognized as an increase in the total OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| <u>Year ended June 30:</u> | |
|----------------------------|-------------|
| 2024 | \$ (1,780) |
| 2025 | (2,696) |
| 2026 | (3,343) |
| 2027 | (3,364) |
| 2028 | (3,364) |
| Thereafter | (1,348) |
| | <hr/> |
| Total | \$ (15,895) |
| | <hr/> |

Actuarial Assumptions and Other Inputs - The total OPEB liability for the June 30, 2022 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified: inflation rate of 2.40%, projected salary increases of 3.40%, discount rate of 3.54% (change from 2.16% in the previous measurement period), medical and vision varies between 3.75% and 4.00% (due to the timing of the excise tax scheduled to affect health care benefits), dental at 4.00% and mortality rates based on the Pub-2010 General and Safety Employee and Healthy Retiree tables, sex distinct for members and dependents, with a one-year setback for male general service employees and female safety employees.

The discount rate was based on Bond Buyer 20-Year General Obligation Bond Index.

Changes in the Total OPEB Liability

| | |
|--|-----------|
| Total OPEB Liability | |
| Service cost | \$ 4,632 |
| Interest on total OPEB liability | 2,240 |
| Effect of economic/demographic gains or losses | (13,122) |
| Effect of assumptions changes or inputs | (8,408) |
| Benefit payments | (9,832) |
| | <hr/> |
| Net change in total OPEB liability | (24,490) |
| Total OPEB liability, beginning | 103,968 |
| | <hr/> |
| Total OPEB liability, ending | \$ 79,478 |
| | <hr/> |

The effect of changes in assumptions is the result of the change in the discount rate from 2.16 to 3.54.

MID-WILLAMETTE VALLEY COUNCIL OF GOVERNMENTS**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2023**

POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Sensitivity of the Total OPEB Liability - The following presents the MWVCOG's total OPEB liability, as well as what the liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.54 percent) or 1 percentage point higher (4.54 percent) than the current discount rate. A similar sensitivity analysis is then presented for changes in the healthcare trend assumption.

Discount Rate (Current Rate 3.54%)

| | <u>1% Decrease</u> | <u>Current Rate</u> | <u>1% Increase</u> |
|----------------------|--------------------|---------------------|--------------------|
| Total OPEB Liability | \$ 83,075 | \$ 79,478 | \$ 75,884 |

Healthcare Cost Trend (Current Rate 3.75% Increasing to 4.0%)

| | <u>1% Decrease</u> | <u>Current Rate</u> | <u>1% Increase</u> |
|----------------------|--------------------|---------------------|--------------------|
| Total OPEB Liability | \$ 73,949 | \$ 79,478 | \$ 85,596 |

RELATED PARTY

MWVCOG provides staff and other resources to Valley Development Initiatives (VDI) under a contract for services. For these services, VDI paid MWVCOG \$283,835 in the year ended June 30, 2023. There was no payable to MWVCOG from VDI as of June 30, 2023.

RETIREMENT PLANS*Defined Contribution Plan*

MWVCOG contributes to a defined contribution plan for employees working more than 600 hours per year and who have been employed for more than six months. The defined contribution plan is administrated by ICMA.

Benefit terms, including contribution requirements, for the plan are established and may be amended by the Board of Directors. For each employee in the pension plan, MWVCOG is required to contribute 10.75% of annual salary and employees are required to contribute 4% of annual salary. For the year ended June 30, 2023, employee contributions totaled \$67,179 and MWVCOG recognized pension expense of \$180,544.

Employees are immediately vested in their own contributions and earnings on those contributions and become vested in MWVCOG contributions and earnings on MWVCOG contributions after 3 years of continuous employment. Nonvested MWVCOG contributions are forfeited upon termination of employment. Such forfeitures are used to reduce future contributions. For the year ended June 30, 2023, there were no forfeitures.

Deferred Compensation Plan

MWVCOG offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits them to defer a portion of their salary until future years. The deferred compensation is not available to the employees until termination, retirement, death, or an unforeseen emergency.

REQUIRED SUPPLEMENTARY INFORMATION

MID-WILLAMETTE VALLEY COUNCIL OF GOVERNMENTS**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – GENERAL FUND -
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2023**

| | <i>Adopted Budget</i> | <i>Final Budget</i> | <i>Actual</i> | <i>Variance</i> |
|--|---------------------------|-------------------------|---------------------|---------------------|
| REVENUES | | | | |
| Direct federal funds | \$ 2,833,473 | \$ 2,833,473 | \$ 260,494 | \$ (2,572,979) |
| State funds, including pass through of federal funds | 391,061 | 2,541,061 | 1,743,438 | (797,623) |
| Member governments | 1,764,093 | 1,764,093 | 1,312,511 | (451,582) |
| Revolving loan fund program | 237,447 | 237,447 | 214,914 | (22,533) |
| Loan repayments | | | | |
| Principal | 164,000 | 164,000 | 619,695 | 455,695 |
| Interest | 103,500 | 103,500 | 103,788 | 288 |
| Other revenues | 50,447 | 50,447 | 111,182 | 60,735 |
| <i>Total Revenues</i> | <i>5,544,021</i> | <i>7,694,021</i> | <i>4,366,022</i> | <i>(3,327,999)</i> |
| EXPENDITURES | | | | |
| Personal services | 3,218,833 | 3,543,958 | 2,785,989 | 757,969 |
| Materials and services | 2,050,644 | 3,875,519 | 1,536,740 | 2,338,779 |
| Grants and loans to others | 1,615,471 | 1,615,471 | - | 1,615,471 |
| Contingency | 551,104 | 551,104 | - | 551,104 |
| <i>Total Expenditures</i> | <i>7,436,052</i> | <i>9,586,052</i> | <i>4,322,729</i> | <i>5,263,323</i> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (1,892,031) | (1,892,031) | 43,293 | 1,935,324 |
| FUND BALANCE (Beginning of year) | 2,085,333 | 2,085,333 | 1,609,375 | (475,958) |
| FUND BALANCE (End of year) | \$ 193,302 | \$ 193,302 | \$ 1,652,668 | \$ 1,459,366 |

The modified accrual basis of accounting is used for budgetary reporting.

MID-WILLAMETTE VALLEY COUNCIL OF GOVERNMENTS
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
YEAR ENDED JUNE 30, 2023

| Total OPEB Liability | 2023 | 2022* | 2021* | 2020** | 2019** | 2018** |
|--|------------------|-------------------|-------------------|------------------|------------------|------------------|
| Service cost | \$ 4,632 | \$ 4,500 | \$ 26,376 | \$ 2,865 | \$ - | \$ 5,842 |
| Interest on total OPEB liability | 2,240 | 2,337 | 3,489 | 3,012 | - | 2,566 |
| Effect of economic/demographic gains or (losses) | (13,122) | - | - | - | - | - |
| Effect of assumptions changes or inputs | (8,408) | 249 | 6,719 | (4,641) | - | (5,274) |
| Benefit payments | (9,832) | (8,646) | (8,646) | (7,777) | - | (6,318) |
| Net change in total OPEB liability | (24,490) | (1,560) | 27,938 | (6,541) | - | (3,184) |
| Total OPEB liability, beginning | 103,968 | 105,528 | 77,590 | 84,131 | 84,131 | 87,315 |
| Total OPEB liability, ending | <u>\$ 79,478</u> | <u>\$ 103,968</u> | <u>\$ 105,528</u> | <u>\$ 77,590</u> | <u>\$ 84,131</u> | <u>\$ 84,131</u> |
| Covered payroll | \$2,074,654 | \$1,650,518 | \$1,353,345 | \$1,511,930 | \$1,470,036 | \$1,325,808 |
| Total OPEB liability as a % of covered payroll | 3.8% | 6.3% | 7.8% | 5.1% | 5.7% | 6.3% |

*Changes in valuation methodology – In 2020, MWVCOG switched to the alternative measuring method in lieu of obtaining a formal actuarial valuation. In 2021, after obtaining a formal actuarial valuation, MWVCOG switched back to the actuarial cost method.

**Changes in benefit terms – MWVCOG’s other post-employment benefits include retiree healthcare. The actuarial cost method for retiree healthcare benefits is the projected unit credit method. An actuarial valuation was not obtained for fiscal years ending June 30, 2020 and 2019.

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

| | |
|------|-------|
| 2018 | 3.58% |
| 2019 | 3.58% |
| 2020 | 3.58% |
| 2021 | 2.21% |
| 2022 | 2.16% |
| 2023 | 3.54% |

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

COMPLIANCE SECTION



GROVE, MUELLER & SWANK

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Advisors & CPAs

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Board of Directors
Mid-Willamette Valley Council of Governments
Salem, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of the Mid-Willamette Valley Council of Governments (MWVCOG) as of and for the year ended June 30, 2023, and have issued our report thereon dated December 14, 2023.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the MWVCOG's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

- **Deposit of public funds with financial institutions (ORS Chapter 295).**
- **Budgets legally required (ORS Chapter 294.900).**
- **Insurance and fidelity bonds in force or required.**
- **Programs funded from outside sources.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

In connection with our testing nothing came to our attention that caused us to believe MWVCOG 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.


Internal Control Over Financial Reporting

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

Restriction on Use

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

GROVE, MUELLER & SWANK, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

By: 
Ryan T. Pasquarella, Principal
December 14, 2023

***MID-WILLAMETTE VALLEY COUNCIL
OF GOVERNMENTS
FEDERAL COMPLIANCE REPORT
For the Year Ended June 30, 2023***



GROVE, MUELLER & SWANK

redw
Advisors & CPAs

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Mid-Willamette Valley Council of Governments
Salem, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of Mid-Willamette Valley Council of Governments (MWVCOG), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise MWVCOG's basic financial statements and have issued our report thereon dated December 14, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether MWVCOG's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and

accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

Grove, Mueller & Swank

CERTIFIED PUBLIC ACCOUNTANTS

December 14, 2023



GROVE, MUELLER & SWANK

redw
Advisors & CPAs

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Mid-Willamette Valley Council of Governments
Salem, Oregon

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Mid-Willamette Valley Council of Governments' (MWVCOG) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of MWVCOG's major federal programs for the year ended June 30, 2023. MWVCOG's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, MWVCOG complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on MWVCOG's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and

Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about MWVCOG's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control over Compliance

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

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

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

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

Grove, Mueller & Swank
CERTIFIED PUBLIC ACCOUNTANTS
December 14, 2023

MID-WILLAMETTE VALLEY COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

| <i>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</i> | <i>Assistance Listing Number</i> | <i>Pass-Through Entity Identifying Number</i> | <i>Expenditures</i> | <i>Amounts Passed to Subrecipients</i> |
|--|---|--|----------------------------|---|
| U. S. Department of Commerce, Economic Development Administration | | | | |
| Direct Programs: | | | | |
| Economic Development Support for Planning Organizations | 11.302 | NA | \$ 19,617 | \$ - |
| <i>Economic Development Cluster</i> | | | | |
| COVID-19 Economic Adjustment Assistance | 11.307 | NA | 269,141 | - |
| COVID-19 Economic Adjustment Assistance - RLF | 11.307 | NA | 1,359,660 | - |
| <i>Total Economic Development Cluster</i> | | | 1,628,801 | - |
| <i>Total U.S. Department of Commerce</i> | | | 1,648,418 | - |
| U. S. Department of Transportation, Federal Highway Administration | | | | |
| Passed through Oregon Department of Transportation | | | | |
| <i>Highway Planning and Construction Cluster</i> | | | | |
| Safe Routes to Schools | 20.205 | 34008 | 71,395 | - |
| PL Planning Funds | 20.205 | 35234 | 252,053 | - |
| Surface Transportation Program Funds | 20.205 | 35234 | 598,826 | - |
| Federal 5303 Funds | 20.205 | 35234 | 184,605 | 164,610 |
| <i>Total Highway Planning and Construction Cluster</i> | | | 1,106,879 | 164,610 |
| <i>Total U.S. Department of Transportation</i> | | | 1,106,879 | 164,610 |
| Total Federal Expenditures | | | \$ 2,755,297 | \$ 164,610 |

See notes to schedule of expenditures of federal awards.

MID-WILLAMETTE VALLEY COUNCIL OF GOVERNMENTS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Mid-Willamette Valley Council of Governments' (MWVCOG) under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of MWVCOG, it is not intended to and does not present the net position or changes in net position of MWVCOG.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

MWVCOG has not elected to use the 10 percent de minimus indirect cost rate as allowed under Uniform Guidance.

SPECIAL ECONOMIC DEVELOPMENT AND ADJUSTMENT ASSISTANCE PROGRAM

MWVCOG received grants totaling \$1,359,660 from the U.S. Department of Commerce, Economic Development Administration. These grant funds are being expended as part of the MWVCOG' Revolving Loan Fund. The activity of the Revolving Loan Fund for the year ended June 30, 2023 was as follows:

| | <i>Balance July 1, 2022</i> | <i>Defederalized Loans</i> | <i>New Loans Issued</i> | <i>Loan Principal Repayments</i> | <i>Net Program Income (Loss)</i> | <i>Balance June 30, 2023</i> |
|-------------------------|-------------------------------------|--------------------------------|-----------------------------|--|--|--------------------------------------|
| Loans receivable | \$ 1,282,912 | \$ - | \$ - | \$ (54,974) | \$ - | \$ 1,227,938 |
| Available for new loans | 417,214 | - | - | 54,974 | 31,705 | 503,893 |
| <i>Total</i> | <u>\$ 1,700,126</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 31,705</u> | <u>\$ 1,731,831</u> |

Balance at June 30, 2023 consists of:

| | |
|---|---------------------|
| Economic Development Administration funds | \$ 1,700,126 |
| Net program income | 31,705 |
| <i>Total</i> | <u>\$ 1,731,831</u> |

MID-WILLAMETTE VALLEY COUNCIL OF GOVERNMENTS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

YEAR ENDED JUNE 30, 2023

SPECIAL ECONOMIC DEVELOPMENT AND ADJUSTMENT ASSISTANCE PROGRAM (Continued)

The federal expenditures reported on the SEFA were calculated as follows:

| | |
|---|----------------------------|
| Balance of outstanding loans, end of year | \$ 1,227,938 |
| Cash balance, end of year | 131,722 |
| Administrative expenses paid (Initial admin expenses funded separately from the loan funds) | - |
| Total awards expended | <u>1,359,660</u> |
| Multiply by Federal Share of RLF (100%) | <u>1.00</u> |
| Total expenditures for Schedule of Federal Awards | <u><u>\$ 1,359,660</u></u> |

MID-WILLAMETTE VALLEY COUNCIL OF GOVERNMENTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

| | |
|---|---------------|
| Type of auditor's report issued: | Unmodified |
| Internal control reporting: | |
| • Material weakness(es) identified? | No |
| • Significant deficiency(ies) identified | None Reported |
| Noncompliance material to financial statements noted? | No |

Federal Awards

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

Identification of major program:

Assistance Listing Numbers

Name of Federal Program or Cluster

20.205

Highway Planning and Construction Cluster

| | |
|--|-----------|
| Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| Auditee qualified as low-risk auditee? | No |

FINANCIAL STATEMENT FINDINGS

None.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

MID-WILLAMETTE VALLEY COUNCIL OF GOVERNMENTS
SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

FINANCIAL STATEMENT FINDINGS

Finding 2022-001 Maintenance of Accounting Records (Material Weakness)

Current Status: The corrective action was taken.

Finding 2022-002 Preparation of the Schedule of Expenditures of Federal Awards (SEFA) (Material Weakness)

Current Status: The corrective action was taken.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.



GROVE, MUELLER & SWANK

redw
Advisors & CPAs

December 14, 2023

Board of Directors
Mid-Willamette Valley Council of Governments
Salem, Oregon

We have audited the financial statements of Mid-Willamette Valley Council of Governments (MWVCOG) as of and for the year ended June 30, 2023, and have issued our report thereon dated December 14, 2023. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated August 21, 2023, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of MWVCOG's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of MWVCOG solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

We have identified the following significant risks:

The possibility that management could override the system of controls. This risk is always identified and addressed by our planned audit procedures. This is not indicative of any unusual circumstances observed within your organization.

The possibility of non-compliance with federal grants resulting in the amounts being refunded to the funding agencies.

The possibility of incorrect payments made by the finance department due to the size of the department.

The possibility that net position is incorrectly stated. The accounting system closes capital asset and loan activity to net position and requires reclassifying journal entries each year for proper government-wide reporting.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by MWVCOG is included in the notes to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the fiscal year. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are the following:

1. Allowance for doubtful accounts related to outstanding notes receivable
2. OPEB liability and related deferred inflows and outflows.
3. Capital assets including right to use leased assets.

We evaluated the key factors and assumptions used to develop the estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

The financial statement disclosures are neutral, consistent, and clear.

Significant Difficulties Encountered during the Audit

Although we received full cooperation of management and believe that we were given direct and unrestricted access to MWVCOG's books and records, we had difficulties in performing and completing the audit process. Principally, these difficulties related to the poor condition of the books and records, lack of consistent and

standard accounting procedures, and the lack of accounting staff due to position vacancies for much of the year. All of these issues contributed to the problem and added to the time and related cost of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The attached listing of misstatements that we identified as a result of our audit procedures, some of which were material, were brought to the attention of, and corrected by, management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to MWVCOG's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated December 14, 2023.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, due to the position vacancies as noted above, they hired an accountant to assist with general bookkeeping and year-end closeout procedures.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with MWVCOG, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting MWVCOG, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as MWVCOG's auditors.

This report is intended solely for the information and use of the Board of Directors and management of Mid-Willamette Valley Council of Governments and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Grove, Mueller & Swank
CERTIFIED PUBLIC ACCOUNTANTS

Client: **55780 - Mid-Willamette Valley Council of Governments**
Engagement: **Audit 2023 - Mid-Willamette Valley Council of Governments**

| Account | Description | W/P Ref | Debit | Credit |
|--|---|-------------|---------------------|---------------------|
| Adjusting Journal Entries | | | | |
| Adjusting Journal Entries JE # 9 | | 6101 | | |
| Reverse client JE's posted to Retained Earnings on 7/1/22 for "KAT Beg Cash Savings" | | | | |
| 5460 | Materials and Services:Other Misc Expense | | 1,424.02 | |
| 39500 | Retained Earnings | | | 1,424.02 |
| Total | | | 1,424.02 | 1,424.02 |
| Adjusting Journal Entries JE # 11 | | | | |
| Adjusting Journal Entries JE # 11 | | 5600 | | |
| PBC JE#1057: To reclass VDI deferred revenue to A/P | | | | |
| 2234 | Deferred Revenue | | 51,755.84 | |
| 2002 | Account Payable Other | | | 51,755.84 |
| Total | | | 51,755.84 | 51,755.84 |
| Adjusting Journal Entries JE # 12 | | | | |
| Adjusting Journal Entries JE # 12 | | 4203 | | |
| PBC Record reduction in Accrued Indirect Carryforward for FY23 | | | | |
| 5460 | Materials and Services:Other Misc Expense | | 53,289.00 | |
| 1335 | Under Recovery Accrued Indirect Carryover | | | 53,289.00 |
| Total | | | 53,289.00 | 53,289.00 |
| Adjusting Journal Entries JE # 13 | | | | |
| Adjusting Journal Entries JE # 13 | | 4107 | | |
| PBC Reclass CLLLR grant revenue as unearned | | | | |
| 4465 | Grant Revenue | | 1,000,000.00 | |
| 2234 | Deferred Revenue | | | 1,000,000.00 |
| Total | | | 1,000,000.00 | 1,000,000.00 |
| Adjusting Journal Entries JE # 14 | | | | |
| Adjusting Journal Entries JE # 14 | | 3701 | | |
| PBC Accrue payables for reimbursements back to grants for incomplete projects and services | | | | |
| 4110 | Federal:Direct Federal Funds | | 42,272.50 | |
| 4202 | State:State Direct | | 18,444.63 | |
| 2002 | Account Payable Other | | | 42,272.50 |
| 2002 | Account Payable Other | | | 18,444.63 |
| Total | | | 60,717.13 | 60,717.13 |
| Total Adjusting Journal Entries | | | 1,167,185.99 | 1,167,185.99 |
| GASB 34 Entries | | | | |



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An equal opportunity lender, provider, and employer

December 14, 2023

Grove, Mueller & Swank, P.C.
475 Cottage Street NE, Suite 200
Salem, OR 97301

This representation letter is provided in connection with your audit of the financial statements of Mid-Willamette Valley Council of Governments (MWVCOG) as of June 30, 2023, and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of MWVCOG in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information such that, in the light of surrounding circumstances, 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.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of December 14, 2023:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated August 21, 2023, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.

- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.
- We are not aware of any pending or threatened litigation, claims, or assessments, or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* (FASB Accounting Standards Codification™ (ASC) 450, *Contingencies*), and we have not consulted a lawyer concerning litigation, claims, or assessments.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, non-spendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All inter-fund and intra-entity transactions and balances have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.

- With respect to the required supplementary information accompanying the financial statements:
 - We acknowledge our responsibility for the presentation of the required supplementary information in accordance with U.S. GAAP.
 - We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with U.S. GAAP.
 - The methods of measurement or presentation have not changed from those used in the prior period.
 - We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
- With regard to investments and other instruments reported at fair value:
 - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
 - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
- With respect to the preparation of the financial statements and related notes and input of the data collection form, we have performed the following:
 - Made all management decisions and performed all management functions;
 - Assigned a competent individual to oversee the services;
 - Evaluated the adequacy of the services performed;
 - Evaluated and accepted responsibility for the result of the service performed; and
 - Established and maintained internal controls, including monitoring ongoing activities.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within MWVCOG from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.

- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have provided to you our evaluation of MWVCOG's ability to continue as a going concern, including significant conditions and events present, and if necessary, our analysis of management's plans, and our ability to achieve those plans.
- We have no knowledge of any fraud or suspected fraud that affects MWVCOG and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting MWVCOG's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation, claims, or assessments.
- We have disclosed to you the identity of MWVCOG's related parties and the nature of all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- MWVCOG has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which MWVCOG is contingently liable.
- We have disclosed to you all non-exchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that MWVCOG will make a payment on any guarantee.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.

- Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
- Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
- Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- MWVCOG has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of non-compliance.
- With respect to federal award programs:
 - We are responsible for understanding and complying with and have complied with the requirements of Title 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (the Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards (SEFA), or we acknowledge our responsibility for presenting the SEFA in accordance with the requirements of the Uniform Guidance and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
 - If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
 - We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance and included in the SEFA made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
 - We are responsible for understanding and complying with, and have complied with, the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major program.
 - We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance requirements applicable to federal programs that provides reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.

- We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- We have received no requests from a federal agency to audit one or more specific programs as a major program.
- We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement*, relating to federal awards, and have identified and disclosed to you all amounts questioned and all known noncompliance with the requirements of federal awards.
- We have disclosed any communications from grantors and pass-through entities concerning possible non-compliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- Amounts claimed or used for matching were determined in accordance with relevant guidelines in the Uniform Guidance.
- We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- We have made available to you all documentation related to compliance with the direct material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies in internal control over compliance (including material weaknesses in internal control over compliance), subsequent to the date as of which compliance was audited.
- Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- We have monitored subrecipients to determine that they have expended pass-through assistance in accordance with applicable laws and regulations and have met the requirements of the Uniform Guidance.

- We have taken appropriate action, including issuing management decisions, on a timely basis after receipt of subrecipients' auditor's reports that identified noncompliance with laws, regulations, or the provisions of contracts or grant agreements and have ensured that subrecipients have taken the appropriate and timely corrective action on findings.
- We have considered the results of subrecipient audits and have made any necessary adjustments to our books and records.
- We have charged costs to federal awards in accordance with applicable cost principles.
- We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
- We are responsible for preparing and implementing a corrective action plan for each audit finding.

Scott F. Dadson

Scott F. Dadson (Dec 14, 2023 12:16 PST)

Scott Dadson, Executive Director

Amber Mathiesen

Amber Mathiesen (Dec 14, 2023 12:38 PST)

Amber Mathiesen, Finance Director