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MERINA+CO

Memorandum

To: Honorable Mayor, City Council and City Manager

From: Tonya Moffitt, Managing Partner

Date: June 03, 2026

Subject: As a result of our audit for the fiscal year ended June 30, 2025, Merina+Co has some comments and suggestions that we would like to communicate to management.

The purpose of this memo is to bring to your attention items that were identified during the audit that we would like to communicate to you. Additional matters related to internal control deficiencies identified during the audit are communicated separately in our AU-C 265 letter to those charged with governance. These items are additional comments and suggestions below:

- General accounting, budgeting, and financial reporting improvements are necessary to manage the City's fund accounting accurately. Merina+Co recommends adding classes or additional account categories into QuickBooks and a method to reconcile each fund. We also recommend adding the budgets into QuickBooks in order to timely monitor budget to actual expenses.
- Merina+Co recommends training on Oregon Budget Law and account classifications (e.g., personnel services, material & services, capital outlay, etc.). To ensure City is in compliance with Oregon Local Budget Law.
- Merina+Co recommends that the City follow Local Budget Law and retain evidence of proof of mailing and a copy of the letter that was sent for budget notices.

We appreciated your cooperation during the audit.