

# City of Sandy, Oregon

AUDIT RESULTS  
FOR THE YEAR ENDED JUNE 30, 2025

JANUARY 20, 2026

›TKW

# The Audit

- Remote audit
- Fieldwork – Interim July; final September-November
- City expended \$5.2M in federal funding – audited 3 major programs
- Issued Annual Comprehensive Financial Report and URA Report in December; issued Single Audit Report in January
- Implemented two GASB standards:
  - Statement No. 101, *Compensated Absences*
  - Statement No. 102, *Certain Risk Disclosures*

# *Audit Results and Reporting*

## ► City of Sandy

- ✓ **Independent Auditor's Report - Unmodified opinion – December 26, 2025**
  - Financial statements are presented fairly in accordance with U.S. GAAP
- ✓ **Management's Discussion and Analysis**
- ✓ **Basic Financial Statements**
  - Positive net positions for both governmental and business-type activities
- **Report on Compliance and Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Oregon State Regulations**
  - Over expenditures in the Telecommunications and Urban Renewal Agency Funds
  - Supplemental Budget approved in a meeting without public notice which is not in compliance with Oregon Revised Statute 294.471

# *Urban Renewal Agency*

- ✓ **Independent Auditor's Report - Unmodified opinion – December 26, 2025**
  - Financial statements are presented fairly in accordance with U.S. GAAP
- ✓ **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***
  - ❖ No Significant Deficiencies or Material Weaknesses identified
- ▶ **Report on Compliance and Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Oregon State Regulations**
  - ▶ Over expenditure in the General Fund
  - ▶ No public notice for June 16, 2025 Supplemental Budget meeting which is not in compliance with ORS 294.471
  - ▶ No Significant Deficiencies or Material Weaknesses identified

# *City Single Audit Reports*

- ✓ 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** - Unmodified opinion
  - ❖ 3 Material Weaknesses – Debt, Capital Assets, and Federal Grant Revenue
- ✓ Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance - Unmodified opinion
  - ❖ No Significant Deficiencies or Material Weaknesses
  - ❖ Major Programs: Congressionally Mandated Projects, Water Infrastructure and Innovation, and Formula Grants for Rural Areas and Tribal Transit Program
- ✓ Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance
  - ✓ Fairly presented

# *Required Communications*

- ✓ New GASBs implemented (GASB 101 and 102)
- ✓ Estimates
- ✓ Six audit adjustments (City)
- ✓ Four uncorrected misstatements (City)
- ✓ No corrected misstatements (URA)
- ✓ One uncorrected misstatement (URA)
- ✓ No difficulties encountered during the audit
- ✓ No disagreements with management
- ✓ Not aware of any consultations with other accountants
- ✓ Recently issued GASB standards – 103 *Financial Reporting Model Improvements*; 104 *Disclosure of Certain Capital Assets*
- ✓ Responsibilities for independence

# Thank You

Contact Information:

**Talbot, Korvola & Warwick, LLP**

Tim Gillette, Audit Partner

[tgillette@tkw.com](mailto:tgillette@tkw.com)

Colleen Belford, Audit Senior Manager

[cbelford@tkw.com](mailto:cbelford@tkw.com)

503.274.2849

14945 SW Sequoia Parkway, Suite 150

Portland, OR 97224

