



**Columbia  
Soil & Water  
Conservation District**

**COLUMBIA COUNTY, OREGON**

**June 30, 2022**

**Audited Financial Report**

# **COLUMBIA SOIL AND WATER CONSERVATION DISTRICT**

**35285 Millard Rd.  
St. Helens, Oregon 97051  
503-433-3205**

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## **BOARD OF DIRECTORS**

JASON BUSCH Zone 2, Chair  
35285 Millard Rd, St. Helens, OR 97051

DEBRA BRIMACOMBE At Large, Vice Chair  
35285 Millard Rd, St. Helens, OR 97051

JEFF VANNATTA Zone 3, Treasurer  
35285 Millard Rd, St. Helens, OR 97051

BILL EAGLE At Large, Secretary  
35285 Millard Rd, St. Helens, OR 97051

SONIA REAGAN Zone 1, Director  
35285 Millard Rd, St. Helens, OR 97051

DAVE FREYTAG Zone 4, Director  
35285 Millard Rd, St. Helens, OR 97051

VACANT Zone 5, Director

## **ADMINISTRATION**

NATHAN HERR District Manager  
35285 Millard Rd, St. Helens, OR 97051

MALYSSA LEGG Financial Manager  
35285 Millard Rd, St. Helens, OR 97051

# **COLUMBIA SOIL AND WATER CONSERVATION DISTRICT**

35285 Millard Rd.  
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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Columbia Soil and Water Conservation District  
35285 Millard Rd.  
St. Helens, Oregon 97051

### **Report on the Audit of the Financial Statements**

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, each major fund, of the Columbia Soil and Water Conservation District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Columbia Soil and Water Conservation District's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, of Columbia Soil and Water Conservation District as of June 30, 2022, and the respective changes in financial position in accordance with accounting principles generally accepted in the United States of America.

#### **Basis of Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Columbia Soil and Water Conservation District 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**

Management is responsible for the preparation and fair presentation of these 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 Columbia Soil and Water Conservation District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Columbia Soil and Water Conservation District'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 Columbia Soil and Water Conservation District'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 on pages 1-7, schedules of revenues, expenditures and changes in fund balances – budget and actuals on pages 26-27, 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 management's discussion and analysis in accordance with the auditing standards generally accepted in the United States of America, which consisted principally 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedules of revenues, expenditures and changes in fund balances – budget and actuals described on pages 26-27 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The schedules of revenues, expenditures and changes in fund balances – budget and actuals have 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of revenues, expenditures and changes in fund balances – budget and actuals are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

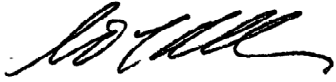
### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises additional schedules listed in the Other Information section of the Table of Contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion of any form of assurance thereon.

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

## Reports on Other Legal and Regulatory Requirements

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, we have issued our report dated February 20, 2023, on our consideration of the Columbia Soil and Water Conservation District'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 the District's compliance.



Steve Tuchscherer, CPA  
Umpqua Valley Financial, LLC  
Roseburg, Oregon  
February 20, 2023

**MANAGEMENT DISCUSSION**  
**AND ANALYSIS**

# **COLUMBIA SOIL AND WATER CONSERVATION DISTRICT**

## **Management's Discussion and Analysis (MD&A)**

**For the Fiscal Year Ended June 30, 2022**

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The discussion and analysis of Columbia Soil and Water Conservation District's financial performance provides an overview of the District's financial activities for the fiscal year that ended June 30, 2022. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

### **FINANCIAL HIGHLIGHTS**

Key financial highlights for the fiscal year ended June 30, 2022 are as follows:

- The District's net position increased by \$339,875 which represents a 28.55% increase from the previous year.
- General revenues accounted for \$597,391 in revenue, or 29.4% of all revenues. Program specific revenues in the form of grants and contributions and charges for services accounted for \$1,432,654 or 70.6% of total revenues of \$2,030,045.
- Total assets of governmental activities increased by \$275,430 from \$1,411,895 in prior year to \$1,687,325 in the current year.
- The District had \$1,690,170 in expenses related to governmental activities. This is an increase of 73.8% versus prior year.
- The District's General Fund had \$1,937,084 in revenues and the Lower Columbia River Watershed Council (LCRWC) fund had \$83,897 in revenues, which primarily consisted of federal grants.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

Management's Discussion and Analysis introduces the District's basic financial statements. The basic financial statements include: 1) government-wide financial statements and fund financial statements, which have been combined into a single page, and 2) notes to the financial statements. This report also includes additional supplementary information to supplement the basic financial statements.

#### *Government-wide Financial Statements*

The first of the government-wide statements is the *Statement of Net Position*. This is the District-wide statement of financial position presenting information that includes all of the District's assets and liabilities. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall economic health of the District would extend to other non-financial factors such as the condition of capital assets and changes in the operation of and demand for conservation services within the District.



## **COLUMBIA SOIL AND WATER CONSERVATION DISTRICT**

### **Management's Discussion and Analysis (MD&A)**

**For the Fiscal Year Ended June 30, 2022**

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The second government-wide statement is the *Statement of Activities* which reports how the District's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the *Statement of Activities* is to show the financial reliance of the distinct activities or functions of the District that are primarily supported by governmental grants. The governmental activities of the District include operation of conservation services.

#### *Fund Financial Statements*

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, Fund Financial Statements focus on the District's most significant fund rather than the District as a whole.

At this time the District has only one kind of fund:

*Governmental funds*, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. Unlike the government-wide financial statements, the fund financial statements report short-term fiscal accountability focusing on use of spendable resources during the year and balances of spendable resources available at the end of the fiscal year. They are useful in evaluating whether the annual financing requirements of governmental programs were financed in the short term and evaluating the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental statement of assets, liabilities, and fund equities and the governmental fund statement of receipts, expenditures, and changes in fund balances provide a column of adjustments to government-wide statements to assist in understanding the differences between these two perspectives. The items in the adjustments column are explained below the statements.

#### *Notes to the Financial Statements*

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

#### *Other Information*

In addition to the basic financial statements and accompanying notes, this report also presents additional informational schedules, including a schedule of expenses.

**COLUMBIA SOIL AND WATER CONSERVATION DISTRICT**

**Management's Discussion and Analysis (MD&A)**

**For the Fiscal Year Ended June 30, 2022**

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**Financial Analysis of the District as a Whole**

Recall that the Statement of Net Position provides the perspective of the District as a whole. Net position may serve over time as a useful indicator of a government's financial position.

The District's net position at fiscal year-end is \$1,530,275. This is a \$339,875 increase from last year's net position and represents a 28.55% increase from the previous year.

The following table provides a summary of the District's net position. Prior year information is provided for comparative purposes.

**Summary of Net Position**

|   | <u>Governmental Activities</u> |                      |                          |
|---|--------------------------------|----------------------|--------------------------|
|   | <u>June 30, 2022</u>           | <u>June 30, 2021</u> | <u>Percentage Change</u> |
| <b>Assets</b>                                   |                                |                      |                          |
| Current Assets                                  | \$ 592,190                     | \$ 282,554           | 109.6%                   |
| Capital Assets, net of accumulated depreciation | <u>1,095,135</u>               | <u>1,129,341</u>     | -3.0%                    |
| Total Assets                                    | <u>1,687,325</u>               | <u>1,411,895</u>     | 19.5%                    |
| <b>Liabilities</b>                              |                                |                      |                          |
| Current Liabilities                             | <u>157,050</u>                 | <u>221,495</u>       | -29.1%                   |
| Total Liabilities                               | <u>157,050</u>                 | <u>221,495</u>       | -29.1%                   |
| <b>Net Position</b>                             |                                |                      |                          |
| Net Investment in Capital Assets                | 1,095,135                      | 1,129,341            | -3.0%                    |
| Restricted                                      | 41,763                         | 43,541               | -4.1%                    |
| Unrestricted                                    | <u>393,377</u>                 | <u>17,518</u>        | 2145.6%                  |
| Total Net Position                              | <u>\$ 1,530,275</u>            | <u>\$ 1,190,400</u>  | 28.6%                    |

**COLUMBIA SOIL AND WATER CONSERVATION DISTRICT**

**Management's Discussion and Analysis (MD&A)**

**For the Fiscal Year Ended June 30, 2022**

The following table shows the changes in net position. Prior-year information is presented for comparative analysis of government-wide revenue and expense information.

|                                    | <b>Changes in Net Position</b> |                  |                   |
|------------------------------------|--------------------------------|------------------|-------------------|
|                                    | Governmental Activities        |                  | Percentage Change |
|                                    | 2021-22                        | 2020-21          |                   |
| <b>Revenues</b>                    |                                |                  |                   |
| Program Revenues                   |                                |                  |                   |
| Charges for Services               | \$ 29,430                      | \$ 29,845        | -1.4%             |
| Operating Grants and Contributions | 1,403,224                      | 437,096          | 221.0%            |
| General Revenues                   |                                |                  |                   |
| Property Taxes                     | 593,347                        | 554,684          | 7.0%              |
| Investment Income                  | 1,477                          | 1,361            | 8.5%              |
| Other                              | 2,567                          | 1,076            | 138.6%            |
| Total Revenues                     | <u>2,030,045</u>               | <u>1,024,062</u> | 98.2%             |
| <b>Program Expenses</b>            |                                |                  |                   |
| Public Safety                      | <u>1,690,170</u>               | <u>972,456</u>   | 73.8%             |
| Total Program Expenses             | <u>1,690,170</u>               | <u>972,456</u>   | 73.8%             |
| <b>Change in Net Position</b>      | <u>\$ 339,875</u>              | <u>\$ 51,606</u> | 558.6%            |

The Statement of Activities shows the cost of program services and the grants and contributions offsetting those services. The following table shows, for governmental activity, the total cost of the major functional activity of the District. The table also shows the function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the general revenue sources for this function.

|                        | <b>Governmental Activities</b> |                               |                        |                               |
|------------------------|--------------------------------|-------------------------------|------------------------|-------------------------------|
|                        | 2021-22                        |                               | 2020-21                |                               |
|                        | Total Cost of Services         | Net (Cost) Profit of Services | Total Cost of Services | Net (Cost) Profit of Services |
| Public Safety          | <u>\$ 1,690,170</u>            | <u>\$ (257,516)</u>           | <u>\$ 972,456</u>      | <u>\$ (505,515)</u>           |
| Total Program Expenses | <u>\$ 1,690,170</u>            | <u>\$ (257,516)</u>           | <u>\$ 972,456</u>      | <u>\$ (505,515)</u>           |

For the current year property taxes, and federal and state grant revenues are by far the primary sources of support of Columbia Soil and Water Conservation District.

# **COLUMBIA SOIL AND WATER CONSERVATION DISTRICT**

## **Management's Discussion and Analysis (MD&A)**

**For the Fiscal Year Ended June 30, 2022**

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### **Financial Analysis of the District's Funds**

#### *Governmental Funds*

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the District's governmental funds is to provide information on short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year. The financial performance of the District as a whole is reflected in its governmental funds.

As the District completed the year, its governmental funds reported a fund balance of \$411,527, an increase of \$313,989. Of the current fund balance, \$8,618 is considered nonspendable since it is for disbursements made for before the end of the year related to next year's expenses. The fund balance also had \$41,763 of restricted amounts for conservation projects for which funding was received in advance from grantors. The remaining \$361,146 of fund balance is unassigned and available for spending at the District's discretion.

### **Budgetary Highlights**

General Fund appropriations for spending was \$2,076,835. Actual expenditures of \$1,623,095 were less than budgeted by \$453,740. Revenues were budgeted to be \$2,051,835 while actual revenues were \$1,937,084.

The LCRWC Fund had budgeted revenues and expenditures of \$266,250 while actual revenues and expenditures were \$83,897.

### **Capital Assets and Debt Administration**

#### *Capital Assets*

As of June 30, 2022, the District had \$1,095,135 in capital assets, net of accumulated depreciation. Capital assets include land, buildings and building improvements, machinery, and equipment. No capital assets were added during the fiscal year. There was \$34,206 in depreciation expense for the year.

Additional information on the District's capital assets can be found in the notes to the basic financial statements section of this report.

#### *Long-Term Debt*

The District reduced its one note payable by \$51,043 during the fiscal year. The note is paid in full as of June 30, 2022. Interest paid on the note payable during the fiscal year was \$606.

**COLUMBIA SOIL AND WATER CONSERVATION DISTRICT**

**Management's Discussion and Analysis (MD&A)**

**For the Fiscal Year Ended June 30, 2022**

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**Economic Factors and Next Year's Budget and Rates**

Looking forward, the District expects to continue its innovative work to restore the county's watersheds and aid agriculture producers. The District anticipates general fund revenues in the range of \$2,928,000 for the fiscal year ending June 30, 2023, which has increased approximately \$676,000 from the prior year primarily due to an increase in revenues from NRCS – RCPP. Budgeted expenditures are also an increase compared to previous fiscal year, with the primary increase found in field operations, which are budgeted to increase by approximately \$684,000.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have any questions about this report or need additional information, contact the Business Office, Columbia Soil and Water Conservation District, 35285 Millard Rd. St. Helens, Oregon 97051.

**BASIC FINANCIAL**  
**STATEMENTS**

**Government-Wide**  
**and**  
**Fund Financial Statements**

# **COLUMBIA SOIL AND WATER CONSERVATION DISTRICT**

## **STATEMENT OF NET POSITION**

**June 30, 2022**

|   | <b><u>Governmental Activities</u></b> |                     |
|---|---------------------------------------|---------------------|
| <b><u>ASSETS:</u></b>                     |                                       |                     |
| Current Assets:                           |                                       |                     |
| Cash and Investments                      | \$ 431,048                            |                     |
| Property Taxes Receivable                 | 27,837                                |                     |
| Accounts Receivable, Net of Allowances    | 124,687                               |                     |
| Prepaid Expenses                          | 8,618                                 |                     |
| Total Current Assets                      |                                       | \$ 592,190          |
| Capital Assets                            | 1,451,490                             |                     |
| Less: Accumulated Depreciation            | (356,355)                             |                     |
| Total Capital Assets, Net of Depreciation |                                       | 1,095,135           |
| <b>Total Assets</b>                       |                                       | <b>\$ 1,687,325</b> |
| <b><u>LIABILITIES:</u></b>                |                                       |                     |
| Current Liabilities:                      |                                       |                     |
| Accounts Payable                          | \$ 89,023                             |                     |
| Payroll Liabilities                       | 3,267                                 |                     |
| Accrued Vacation Pay                      | 20,154                                |                     |
| Prepaid Rent                              | 2,327                                 |                     |
| Customer Overpayments                     | 41,763                                |                     |
| Interest Payable                          | 516                                   |                     |
| Total Current Liabilities                 |                                       | \$ 157,050          |
| <b>Total Liabilities</b>                  |                                       | <b>\$ 157,050</b>   |
| <b><u>NET POSITION:</u></b>               |                                       |                     |
| Net Investment in Capital Assets          | \$ 1,095,135                          |                     |
| Restricted for Conservation Projects      | 41,763                                |                     |
| Unrestricted                              | 393,377                               |                     |
| <b>Total Net Position</b>                 |                                       | <b>\$ 1,530,275</b> |

The accompanying notes to the basic financial statements are an integral part of this statement.

**COLUMBIA SOIL AND WATER CONSERVATION DISTRICT**

**STATEMENT OF ACTIVITIES**

**For the Fiscal Year Ended June 30, 2022**

|   |                            | <u>Program Revenues</u> |                            | <u>Net (Expense)</u>       |
|---|----------------------------|-------------------------|----------------------------|----------------------------|
|   | <u>(Expenses)</u>          | <u>Charges</u>          | <u>Operating</u>           | <u>Revenue and</u>         |
|   |                            | <u>for</u>              | <u>Grants and</u>          | <u>Change in</u>           |
|   |                            | <u>Services</u>         | <u>Contributions</u>       | <u>Net Position</u>        |
|   |                            |                         |                            | <u>Governmental</u>        |
|   |                            |                         |                            | <u>Activities</u>          |
| <b><u>GOVERNMENTAL ACTIVITIES:</u></b>      |                            |                         |                            |                            |
| Conservation Projects                       | \$ 1,690,170               | \$ 29,430               | \$ 1,403,224               | \$ (257,516)               |
| <b>Total Governmental Activities</b>        | <b><u>\$ 1,690,170</u></b> | <b><u>\$ 29,430</u></b> | <b><u>\$ 1,403,224</u></b> | <b><u>\$ (257,516)</u></b> |
| <br><b><u>GENERAL REVENUES:</u></b>         |                            |                         |                            |                            |
| Property Taxes, levied for general purposes |                            |                         |                            | 593,347                    |
| Interest and Investment Earnings            |                            |                         |                            | 1,477                      |
| Miscellaneous                               |                            |                         |                            | 2,567                      |
| Total - General Revenues                    |                            |                         |                            | <u>597,391</u>             |
| Change in Net Position                      |                            |                         |                            | 339,875                    |
| Net Position, July 1, 2021                  |                            |                         |                            | <u>1,190,400</u>           |
| <b>Net Position, June 30, 2022</b>          |                            |                         |                            | <b><u>\$ 1,530,275</u></b> |

The accompanying notes to the basic financial statements are an integral part of this statement.



**COLUMBIA SOIL AND WATER CONSERVATION DISTRICT**

**BALANCE SHEET**

**GOVERNMENTAL FUNDS**

**June 30, 2022**

|   | <b>General<br/>Fund</b>  | <b>LCRWC Fund<br/>(A Component<br/>Unit of the<br/>District)</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|---|--------------------------|--|---|
| <b><u>ASSETS:</u></b>   |                          |  |   |
| Cash and Investments  | \$ 431,048               | \$ -   | \$ 431,048                              |
| Property Taxes Receivable   | 27,837                   | -  | 27,837                                  |
| Accounts Receivable   | 111,121                  | 13,566   | 124,687                                 |
| Due From Other Funds  | 13,566                   | -  | 13,566                                  |
| Prepaid Expense   | 8,618                    | -  | 8,618                                   |
| <b>Total Assets</b>   | <b><u>\$ 592,190</u></b> | <b><u>\$ 13,566</u></b>  | <b><u>\$ 605,756</u></b>                |
| <b><u>DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</u></b>                  |                          |  |   |
| <b>Liabilities:</b>   |                          |  |   |
| Payroll Liabilities   | \$ 3,267                 | \$ -   | \$ 3,267                                |
| Accounts Payable  | 89,023                   | -  | 89,023                                  |
| Due To Other Funds  | -                        | 13,566   | 13,566                                  |
| Prepaid Rents Received  | 2,327                    | -  | 2,327                                   |
| Accrued Vacation Pay  | 20,154                   | -  | 20,154                                  |
| <b>Total Liabilities</b>  | <b><u>114,771</u></b>    | <b><u>13,566</u></b>   | <b><u>128,337</u></b>                   |
| <b>Deferred Inflows of Resources:</b>   |                          |  |   |
| Unavailable Property Tax Revenue  | 24,129                   | -  | 24,129                                  |
| Advances from Grantors  | 41,763                   | -  | 41,763                                  |
| <b>Total Deferred Inflows of Resources</b>                                      | <b><u>65,892</u></b>     | <b><u>-</u></b>  | <b><u>65,892</u></b>                    |
| <b>Fund Balances:</b>   |                          |  |   |
| Nonspendable:   |                          |  |   |
| Prepaid amounts   | 8,618                    | -  | 8,618                                   |
| Restricted for:   |                          |  |   |
| Conservation Projects   | 41,763                   | -  | 41,763                                  |
| Unassigned  | 361,146                  | -  | 361,146                                 |
| <b>Total Fund Balances</b>  | <b><u>411,527</u></b>    | <b><u>-</u></b>  | <b><u>411,527</u></b>                   |
| <b>Total Liabilities, Deferred Inflows<br/>of Resources &amp; Fund Balances</b> | <b><u>\$ 592,190</u></b> | <b><u>\$ 13,566</u></b>  | <b><u>\$ 605,756</u></b>                |

The accompanying notes to the basic financial statements are an integral part of this statement.

**COLUMBIA SOIL AND WATER CONSERVATION DISTRICT**

**RECONCILIATION OF THE BALANCE SHEET  
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION**

**June 30, 2022**

---

**Total Fund Balances - Governmental Funds** \$ 411,527

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

|                                   |                  |           |
|-----------------------------------|------------------|-----------|
| The cost of the assets is -       | \$1,451,490      |           |
| The accumulated depreciation is - | <u>(356,355)</u> |           |
| Net Value of Assets               |                  | 1,095,135 |

Property taxes receivable that will not be available to pay for current-period expenditures are reported as deferred inflow of resources in the governmental funds. 24,129

Accrued amounts for interest payable are not reported in the governmental funds. (516)

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**Net Position of Governmental Activities** **\$ 1,530,275**

The accompanying notes to the basic financial statements are an integral part of this statement.

# **COLUMBIA SOIL AND WATER CONSERVATION DISTRICT**

## **Statement of Revenues, Expenditures, and Changes in Fund Balances**

### **GOVERNMENTAL FUNDS**

**For the Fiscal Year Ended June 30, 2022**

|                                     | <b>General<br/>Fund</b> | <b>LCRWC Fund<br/>(A Component<br/>Unit of the<br/>District)</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|-------------------------------------|-------------------------|--|---|
| <b><u>REVENUES:</u></b>             |                         |  |   |
| Current Year Property Taxes         | \$ 584,283              | \$ -   | \$ 584,283                              |
| Federal Grants                      | 1,111,377               | 82,650   | 1,194,027                               |
| State Grants                        | 125,286                 | -  | 125,286                                 |
| Local Grants                        | 83,911                  | -  | 83,911                                  |
| Interest on Investments             | 1,477                   | -  | 1,477                                   |
| Rental Income                       | 27,924                  | -  | 27,924                                  |
| Reimbursements                      | 1,320                   | 1,247  | 2,567                                   |
| Miscellaneous Revenues              | 1,506                   | -  | 1,506                                   |
| <b>Total Revenues</b>               | <b>1,937,084</b>        | <b>83,897</b>  | <b>2,020,981</b>                        |
| <b><u>EXPENDITURES:</u></b>         |                         |  |   |
| Personnel Services                  | 468,300                 | 60,788   | 529,088                                 |
| Materials & Services                | 1,103,146               | 23,109   | 1,126,255                               |
| Debt Service                        | 51,649                  | -  | 51,649                                  |
| <b>Total Expenditures</b>           | <b>1,623,095</b>        | <b>83,897</b>  | <b>1,706,992</b>                        |
| <b>Net Change in Fund Balances</b>  | <b>313,989</b>          | <b>-</b>   | <b>313,989</b>                          |
| Fund Balances, July 1, 2021         | 97,538                  | -  | 97,538                                  |
| <b>Fund Balances, June 30, 2022</b> | <b>\$ 411,527</b>       | <b>\$ -</b>  | <b>\$ 411,527</b>                       |

The accompanying notes to the basic financial statements are an integral part of this statement.

**COLUMBIA SOIL AND WATER CONSERVATION DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2022**

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**Net Changes in Fund Balances - Total Governmental Funds** \$ 313,989

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense.

|                                |          |          |
|--------------------------------|----------|----------|
| Less current year depreciation | (34,206) | (34,206) |
|--------------------------------|----------|----------|

Some property tax revenues will not be collected for several months after the District's fiscal year end and are therefore not considered "available" revenues in the governmental funds, instead these funds are shown as a deferred inflow of resources. The change is reconciled here.

9,064

Repayment of debt principal amounts are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

|  |        |  |
|--|--------|--|
| Retirement of principal on the Note Payable is reconciled here | 51,028 |  |
|--|--------|--|

**Changes in Net Position of Governmental Activities** **\$ 339,875**

The accompanying notes to the basic financial statements are an integral part of this statement.

**BASIC FINANCIAL**  
**STATEMENTS**

**Notes to the Basic**  
**Financial Statements**

**COLUMBIA SOIL AND WATER CONSERVATION DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Cont.)**  
**JUNE 30, 2022**

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Columbia Soil and Water Conservation District's work involves prevention and control of soil erosion, prevention of flood water and sediment damage, conservation and development of water resources, and water quality management.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The more significant of the government's accounting policies are described below.

**Reporting Entity**

As defined by GAAP, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. The relevant definition of financial accountability for Columbia Soil and Water Conservation District is that an organization (the component unit) is fiscally dependent on the District (the primary government) and there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on the primary government.

The accompanying financial statements present the Columbia Soil and Water Conservation District (the primary government) and its component unit. The Columbia Soil and Water Conservation District is a municipal corporation governed by a Board of Directors comprised of seven members, five elected by and representing the citizens of a five different zones of the District and two at large directors representing the citizens of the entire District. The component unit discussed in the next paragraph is included in the District's reporting entity because of the significance of its operational and financial relationship with the District.

*Blended Component Unit.* The Lower Columbia River Watershed Council is a legally separate organization and governed by a Council appointed by Council members who are representatives of various interest groups in the area served by the Council. Because the District's management is responsible for the Council's operations based on a *Fiscal and Employment Sponsorship Agreement*, the funds of the Council are blended with those of the District by including them in the appropriate statements and schedules of this financial report.

**Basis of Presentation**

*Government-Wide Statements:* The statement of net position and the statement of activities display information about the District as a whole. They report on all of the non-fiduciary activities of the District with most of the interfund activities removed to minimize double counting of internal activities. Governmental activities include programs supported primarily by grants and other intergovernmental revenues. The District has no business type activities that rely, to a significant extent, on fees and charges for support.

The statement of activities demonstrates the degree to which direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

**COLUMBIA SOIL AND WATER CONSERVATION DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Cont.)**  
**JUNE 30, 2022**

---

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):**

Basis of Presentation (Cont.)

*Fund Financial Statements:* During the fiscal year, the District segregates transactions related to its functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds. They report on the financial condition and results of operations for governmental activities. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

General Fund - The General Fund is used to account for resources and activities directly associated with carrying out those operations related to the District's basic objectives. It accounts for all resources and activities which are not required legally or by sound financial management to be accounted for in another fund.

LCRWC Fund - This fund is used to account for all financial resources and disbursements that were used to perform the various conservation projects of the Lower Columbia River Watershed Council, which are administered by the District. The Lower Columbia River Watershed Council is a component unit of the District, as described above

Measurement Focus/Basis of Accounting:

Measurement focus refers to what is being measured; basis of accounting refers to when transactions are recognized in the financial records and reported on the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied. The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized when the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or within sixty days after year end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt which are reported when due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

**COLUMBIA SOIL AND WATER CONSERVATION DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Cont.)**  
**JUNE 30, 2022**

---

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):**

Budgeting

The District budgets all funds as required by state law. The District budgets for all funds on a modified accrual basis. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total expenditures are controlled by annual appropriations at the following organizational levels: instruction, support services, community services, facilities acquisition and construction, and other expenditures. Appropriations lapse as of the fiscal year-end. A detailed budget document is required that contains more detailed information for the above-mentioned expenditure categories.

Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriations resolution. A supplemental budget may require hearings before the public, publications in newspapers, and approval by the District Board of Directors. Original and supplemental budgets may be modified by the use of appropriations transfers between the levels of control. Such transfers require approval by the District Board of Directors.

Cash & Investments

Cash and cash equivalents include cash on hand, checking, savings and money market accounts and any short-term, highly liquid investments with initial maturity dates of three months or less.

Receivables

Revenues that are earned but not received by the fiscal year end are reported as receivable in the current assets section in the government-wide statement of net position by the District. Government grant reimbursement and entitlement amounts for which all eligibility requirements imposed by the provider have been met, but which were not received by the fiscal year end, are reported as grants receivables in the current assets section in the government-wide statement of net position by the District. All receivables are considered fully collectible; consequently, no allowance for uncollectibles has been established.

Inventory

The District does not maintain inventory. Materials and supplies are expended as they are purchased.

Prepaid Items

Payments made to vendors for operating expenses that will significantly benefit periods beyond June 30, 2022, are recorded as prepaid items.



# **COLUMBIA SOIL AND WATER CONSERVATION DISTRICT**

## **NOTES TO THE BASIC FINANCIAL STATEMENTS (Cont.)**

**JUNE 30, 2022**

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### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):**

#### Capital Assets

Capital assets are defined as assets with an estimated life in excess of one year. The capitalization threshold used by the District is \$5,000. Purchased or constructed capital assets are reported at cost, or estimated cost when original cost is not available. Donated capital assets are valued at their estimated fair market value on the date received. Maintenance and repairs of capital assets are not capitalized but rather are charged to expenditures in the governmental funds. The District does not possess any infrastructure.

In the government-wide financial statements, all reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the estimated useful life of 5 to 10 years for equipment.

In the governmental fund financial statements, fixed assets are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized, and related depreciation is not reported in the fund financial statements.

#### Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

#### 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 the reported amount of assets and liabilities as well as disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

#### Deferred Inflows of Resources:

In the governmental funds, unavailable revenues from grants are deferred and not considered measurable and available and are therefore not recognized as revenue, but rather as deferred inflows of resources.

**COLUMBIA SOIL AND WATER CONSERVATION DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Cont.)**  
**JUNE 30, 2022**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):**

Equity Classifications:

*Government-wide Statements*

Equity is classified as net position, which represents the difference between assets and liabilities, and deferred accounts. Net position is displayed in three components:

- a. Net investment in capital assets- Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantor, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

The District’s policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

*Fund Financial Statements*

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted: This classification includes fund balance amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed: This classification includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through resolution of the highest level of decision making authority, the Board of Directors, and does not lapse at year-end.
- Assigned: This classification includes fund balance amounts that are intended to be used for specific purposes that are neither restricted nor committed. This intent can be expressed by the Board of Directors or through the Board of Directors delegating this responsibility to selected staff members or through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned: This classification includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories, and negative fund balances of other governmental funds.

The District’s policy is to use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of the constrained fund balances.

**COLUMBIA SOIL AND WATER CONSERVATION DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS (Cont.)**

**JUNE 30, 2022**

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**CASH & INVESTMENTS:**

For discussion of deposit and investment policies and other related information, see Cash and Investments note in the Summary of Significant Accounting Principles.

Various restrictions on deposits and investments are imposed by state statutes. These restrictions are summarized at the Cash and Investments note in the Summary of Significant Accounting Principles.

Investments, including amounts held in pool cash and investments are stated at fair value. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, investments with a remaining maturity of more than one year at the time of purchase are stated at fair value. Fair value is determined at the quoted market prices, if available; otherwise, the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value.

Deposits - All cash is deposited in compliance with Oregon statutes. The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. FDIC insurance of \$250,000 applies to the deposits in each depository. Where balances continually exceed \$250,000, ORS 295 requires the depositor to verify that deposit accounts are only maintained at financial institutions on the list of qualified depositories found on the state treasurer's website.

Qualifying depository banks must pledge securities with a particular value based on the bank's level of capitalization. Balances in excess of the FDIC insurance are considered exposed to custodial credit risk.

*Custodial Credit Risk for Deposits* - Custodial credit risk for deposits exists when, in the event of a depository failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk.

As of June 30, 2022, the reported amount of the District's deposits was \$44,972 and the bank balance was \$65,789. Of the bank balance, the entire amount was covered by federal depository insurance or by pledged securities with the qualifying depository banks. The District has \$124 reported in petty cash.

**COLUMBIA SOIL AND WATER CONSERVATION DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Cont.)**  
**JUNE 30, 2022**

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**CASH AND INVESTMENTS (Cont.):**

Investments - Oregon statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, banker's acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the Local Governmental Investment Pool. The District has no credit risk policy or investment policy that would further limit its investment choices.

*Credit Risk* - Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. As of June 30, 2022, the District has no investments in financial institutions.

At June 30, 2022, the District's investments in financial institutions are as follows:

| <u>Type of Investment</u>   | <u>Fair Value</u> | <u>Credit Rating</u> |
|---|-------------------|----------------------|
| Federal Agency Notes  | \$ -              | N/A                  |
| Oregon State Treasurer's Local Government<br>Investment Pool (LGIP) | \$ 385,952        | N/A                  |
| Total Investments   | <u>\$ 385,952</u> |                      |

*Concentration of Credit Risk* - An increased risk of loss occurs as more investments are acquired from one issuer. This results in a concentration of credit risk. The District places no limit on the amount that may be invested in any one issuer. Financial instruments that potentially subject the District to concentrations of credit risk consist principally of demand deposits and a money market account in one financial institution. As of June 30, 2022, the District had no significant concentrations of credit risk.

**LONG-TERM DEBT:**

The following is a summary of debt service transactions for the year ended June 30, 2022:

The District refinanced a loan from US Bank in May 2016 with a new principal amount of \$521,734, and an interest rate of 2.25%. As of June 30, 2022 the loan is paid in full.

The following is a schedule of transactions during the year:

**COLUMBIA SOIL AND WATER CONSERVATION DISTRICT**  
**SCHEDULE OF LONG-TERM DEBT TRANSACTIONS**  
**For the Fiscal Year Ended June 30, 2022**

---

|   | <u>Outstanding<br/>Balance<br/>July 1, 2021</u> | <u>Principal<br/>Paid</u> | <u>Interest<br/>Paid</u> | <u>Outstanding<br/>Balance<br/>June 30, 2022</u> | <u>Due<br/>Within<br/>One Year</u> |
|---|---|---------------------------|--------------------------|--|------------------------------------|
| <b>Business-Type Long Term Debt</b>       |   |                           |                          |  |                                    |
| <b>Notes from Direct Borrowings:</b>      |   |                           |                          |  |                                    |
| US Bank Note Payable                      | \$ 51,028                                       | \$ 51,028                 | \$ 606                   | \$ -   | \$ -                               |
| <b>Total Notes from Direct Borrowings</b> | <u>\$ 51,028</u>                                | <u>\$ 51,028</u>          | <u>\$ 606</u>            | <u>\$ -</u>                                      | <u>\$ -</u>                        |

**COLUMBIA SOIL AND WATER CONSERVATION DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Cont.)**  
**JUNE 30, 2022**

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**LONG-TERM DEBT (Cont.):**

The District has no unused lines of credit. The District has no assets that are specifically pledged as collateral for any of the debt.

For further detail on debt service, see the 'Schedule of Long-Term Debt Transactions' in the Other Supplementary Data section of this report.

**CAPITAL ASSETS:**

The following is a summary of capital asset activity for the fiscal year ended June 30, 2022:

| <b><u>Governmental Activities</u></b>                        | <u>Beginning<br/>Balances</u> | <u>Additions</u>  | <u>Deletions</u> | <u>Ending<br/>Balances</u> |
|--|-------------------------------|-------------------|------------------|----------------------------|
| <b>Assets not being depreciated:</b>                         |                               |                   |                  |                            |
| Land   | \$ 150,000                    | \$ -              | \$ -             | \$ 150,000                 |
| Total  | 150,000                       | -                 | -                | 150,000                    |
| <b>Assets being depreciated:</b>                             |                               |                   |                  |                            |
| Land Improvement   | -                             | -                 | -                | -                          |
| Building and Building Improvement                            | 1,258,233                     | -                 | -                | 1,258,233                  |
| Machinery and Equipment                                      | 43,257                        | -                 | -                | 43,257                     |
| Total Depreciable Assets                                     | 1,301,490                     | -                 | -                | 1,301,490                  |
| <b>Less: Accumulated Depreciation</b>                        |                               |                   |                  |                            |
| Building and Building Improvement                            | 285,767                       | 31,456            | -                | 317,223                    |
| Machinery and Equipment                                      | 36,382                        | 2,750             | -                | 39,132                     |
| Total Accumulated Depreciation                               | 322,149                       | 34,206            | -                | 356,355                    |
| Net Value of Capital Assets Being Depreciated                | 979,341                       | (34,206)          | -                | 945,135                    |
| Total Governmental Activities -- Net Value of Capital Assets | <u>\$ 1,129,341</u>           | <u>\$(34,206)</u> | <u>\$ -</u>      | <u>\$ 1,095,135</u>        |

**Depreciation expense was charged to the functions of governmental activities as follows:**

|                            |                  |
|----------------------------|------------------|
| Conservation Projects      | <u>\$ 34,206</u> |
| Total Depreciation Expense | <u>\$ 34,206</u> |

**COLUMBIA SOIL AND WATER CONSERVATION DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Cont.)**  
**JUNE 30, 2022**

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**CONTINGENT LIABILITIES:**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amount, if any, to be immaterial. The potential effects of an illegal act or of material revenue derived from transactions involving illegal acts or significant unusual risks may constitute a liability of the applicable fund. The District expects such liability amounts, if any, to be immaterial.

**RISK MANAGEMENT**

The District is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters. The District is joined together with other special districts in the state, as a member of Special Districts Association of Oregon (SDAO). SDAO oversees the Special Districts Insurance Services Trust, a public entity risk pool currently operating as a common risk management and insurance program for member governments. The District has an annually renewable contract to pay SDAO an annual premium for its general liability, property liability, automobile liability, boiler and machinery, comprehensive crime, and umbrella insurance coverage.

The District carries commercial insurance for all other losses, including workers' compensation insurance.

There have been no significant reductions in coverage from the prior years and settlements have not exceeded insurance coverage in the past three years.

**REQUIRED**  
**SUPPLEMENTARY**  
**INFORMATION**

**COLUMBIA SOIL AND WATER CONSERVATION DISTRICT**

**Schedule of Revenues, Expenditures, and  
Change in Fund Balance**

**GENERAL FUND**

**For the Fiscal Year Ended June 30, 2022**

|                                     | Budgeted Amounts  |                   | Actual            | Variance with     |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                     | Original          | Final             | Amounts           | Final Budget      |
|                                     |                   |                   | (Budgetary Basis) | Over              |
|                                     |                   |                   | (See Note 1)      | (Under)           |
| <b><u>REVENUES:</u></b>             |                   |                   |                   |                   |
| Property Taxes                      | \$ 582,904        | \$ 582,904        | \$ 584,283        | \$ 1,379          |
| Grant Income                        | 1,414,407         | 1,414,407         | 1,320,574         | (93,833)          |
| Rent Income                         | 27,924            | 27,924            | 27,924            | -                 |
| Landowner Contribution              | 10,000            | 10,000            | -                 | (10,000)          |
| Interest Income                     | 1,600             | 1,600             | 1,477             | (123)             |
| Reimbursements                      | -                 | -                 | 1,320             | 1,320             |
| Miscellaneous Income                | 15,000            | 15,000            | 1,506             | (13,494)          |
| <b>Total Revenues</b>               | <b>2,051,835</b>  | <b>2,051,835</b>  | <b>1,937,084</b>  | <b>(114,751)</b>  |
| <b><u>EXPENDITURES:</u></b>         |                   |                   |                   |                   |
| Personnel Services                  | 499,381           | 499,381           | 468,300           | (31,081)          |
| Materials & Services                | 1,359,454         | 1,359,454         | 1,103,146         | (256,308)         |
| Capital Outlay                      | 66,000            | 66,000            | -                 | (66,000)          |
| Debt Service                        | 52,000            | 52,000            | 51,649            | (351)             |
| Operating Contingency               | 100,000           | 100,000           | -                 | (100,000)         |
| <b>Total Expenditures</b>           | <b>2,076,835</b>  | <b>2,076,835</b>  | <b>1,623,095</b>  | <b>(453,740)</b>  |
| <b>Change in Fund Balance</b>       | <b>(25,000)</b>   | <b>(25,000)</b>   | <b>313,989</b>    | <b>338,989</b>    |
| Fund Balance - July 1, 2021         | 200,000           | 200,000           | 97,538            | (102,462)         |
| <b>Fund Balance - June 30, 2022</b> | <b>\$ 175,000</b> | <b>\$ 175,000</b> | <b>\$ 411,527</b> | <b>\$ 236,527</b> |



# COLUMBIA SOIL AND WATER CONSERVATION DISTRICT

## Schedule of Revenues, Expenditures, and Change in Fund Balance

### LOWER COLUMBIA RIVER WATERSHED COUNCIL FUND (A Component Unit of the District)

For the Fiscal Year Ended June 30, 2022

|                                     | Budgeted Amounts |                | Actual                                       | Variance with                   |
|-------------------------------------|------------------|----------------|--|---------------------------------|
|                                     | Original         | Final          | Amounts<br>(Budgetary Basis)<br>(See Note 1) | Final Budget<br>Over<br>(Under) |
| <b><u>REVENUES:</u></b>             |                  |                |  |                                 |
| Grant Income                        | \$ 266,250       | \$ 266,250     | \$ 82,650                                    | \$ (183,600)                    |
| Reimbursements                      | -                | -              | 1,247  | 1,247                           |
| <b>Total Revenues</b>               | <b>266,250</b>   | <b>266,250</b> | <b>83,897</b>                                | <b>(182,353)</b>                |
| <b><u>EXPENDITURES:</u></b>         |                  |                |  |                                 |
| Personnel Services                  | 53,550           | 53,550         | 60,788                                       | 7,238                           |
| Materials & Services                | 212,700          | 212,700        | 23,109                                       | (189,591)                       |
| <b>Total Expenditures</b>           | <b>266,250</b>   | <b>266,250</b> | <b>83,897</b>                                | <b>(182,353)</b>                |
| <b>Change in Fund Balance</b>       |                  |                | -  |                                 |
| Fund Balance - July 1, 2021         | -                | -              | -  | -                               |
| <b>Fund Balance - June 30, 2022</b> | <b>\$ -</b>      | <b>\$ -</b>    | <b>\$ -</b>                                  | <b>\$ -</b>                     |

**OTHER**  
**INFORMATION**

**Additional Supporting Schedules**

**COLUMBIA SOIL AND WATER CONSERVATION DISTRICT**  
**SCHEDULE OF LONG-TERM DEBT TRANSACTIONS & FUTURE REQUIREMENTS**  
**For the Fiscal Year Ended June 30, 2022**

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**US Bank Note Payable**

The District refinanced a loan from US Bank in May 2016 with a new principal amount of \$521,734, and an interest rate of 2.25%. Loan is paid in full as of June 30, 2022.

**Current Year Activity:**

|           | Outstanding<br>Balance<br>July 1, 2021 | New Issues<br>and Interest<br>Matured | Principal<br>and Interest<br>Retired | Outstanding<br>Balance<br>June 30, 2022 | Due<br>Within<br>One Year |
|-----------|--|---------------------------------------|--------------------------------------|---|---------------------------|
| Principal | \$ 51,028                              | \$ -                                  | \$ 51,028                            | \$ -                                    | \$ -                      |
| Interest  | -                                      | 606                                   | 606                                  | -                                       | -                         |
| Total     | <u>\$ 51,028</u>                       | <u>\$ 606</u>                         | <u>\$ 51,634</u>                     | <u>\$ -</u>                             | <u>\$ -</u>               |

**REPORT ON LEGAL AND**  
**OTHER REGULATORY REQUIREMENTS**

**COLUMBIA SOIL AND WATER CONSERVATION DISTRICT**  
**INDEPENDENT AUDITOR'S REPORT**  
**REQUIRED BY OREGON STATE REGULATIONS**  
**As of June 30, 2022**

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To the Governing Body of the Columbia Soil and Water Conservation District  
Columbia County, Oregon

We have audited the basic financial statements of the Columbia Soil and Water Conservation District as of and for the year ended June 30, 2022 and have issued my report thereon dated February 20, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

**Compliance**

As part of obtaining reasonable assurance about whether the Columbia Soil and Water Conservation District'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).**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

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

**OAR 162-10-0230 Internal Control**

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

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



Steve Tuhscherer, CPA  
Umpqua Valley Financial  
Roseburg, Oregon  
February 20, 2023