

**COOS SOIL & WATER CONSERVATION DISTRICT
COQUILLE, OREGON**

REVIEWED FINANCIAL STATEMENTS

JUNE 30, 2021

Prepared by
Signe Grimstad
Certified Public Accountant
530 NW 3rd, Suite E
PO Box 1930
Newport, Oregon 97365

COOS SOIL & WATER CONSERVATION DISTRICT
Coquille, Oregon

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COOS SOIL & WATER CONSERVATION DISTRICT
Coquille, Oregon

BOARD OF DIRECTORS

<u>Title</u>	<u>Name</u>
Chair – at Large – Zone 2	Mark Villers
Vice Chair – Zone 3	Charlie Waterman
Treasurer – at Large – Zone 1	Ernie Newton
Secretary – Zone 2	Cindy Gant
Director – Zone 1	Adela Villers
Director – Zone 4	Michael Clary
Director – Zone 5	VACANT

STAFF

Watershed Technical Specialist	Mariel King
District Manager	Caley Sowers
Administrative Assistant	Modena Thomas

OFFICE

379 N. Adams Street
Coquille, OR 97423

GRIMSTAD & ASSOCIATES

Certified Public Accountants

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Coos Soil & Water Conservation District
Coquille, Oregon

I have reviewed the accompanying cash basis financial statements of the governmental activities and major fund of Coos Soil & Water Conservation District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statement taken as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with the cash basis of accounting. I believe that the results of my procedures provide a reasonable basis for my conclusion.

Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the cash basis of accounting.

Members:
AICPA OSCPA & OAIA

Basis of Accounting

I draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. My conclusion is not modified with respect to this matter.

Supplementary Information

The supplementary information Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Cash Basis - Governmental Fund Type - General Fund, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in my review of the basic financial statements. I am not aware of any material modifications that should be made to the supplementary information.

Other Reporting Required by Oregon State Regulations

The supplementary information titled Management Representation of Fiscal Affairs Required by Oregon Regulations is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements but has been compiled from information that is the representation of management. I have not audited or reviewed the supplementary information, and accordingly, I do not express an opinion or provide any assurance on such supplementary information.



Signé Grimstad
Certified Public Accountant
Newport, Oregon
September 20, 2021

COOS SOIL & WATER CONSERVATION DISTRICT
Coquille, Oregon

STATEMENT OF NET POSITION AND GOVERNMENTAL FUND
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE - CASH BASIS
as of June 30, 2021

	General Fund	Reconciliation (Note 2)	Statement of Net Position
ASSETS			
Cash and cash equivalents	\$ 49,649	\$ 0	\$ 49,649
Total assets	<u>\$ 49,649</u>	<u>\$ 0</u>	<u>\$ 49,649</u>
LIABILITIES			
	\$ 0	\$ 0	\$ 0
FUND BALANCE/NET POSITION			
Fund balances			
Unassigned	49,649	(49,649)	0
Total liabilities and fund balance	<u>\$ 49,649</u>		
Net position			
Unrestricted		49,649	49,649
Total net position		<u>\$ 49,649</u>	<u>\$ 49,649</u>

See accompanying notes and independent accountant's review report.

COOS SOIL & WATER CONSERVATION DISTRICT
Coquille, Oregon

STATEMENT OF ACTIVITIES AND STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS - CASH BASIS for the Year Ended
June 30, 2021

	General Fund	Reconciliation (Note 2)	Statement of Activities
PROGRAM EXPENSES			
Current			
Coos Soil & Water - operations	\$ 204,447	\$ 0	\$ 204,447
PROGRAM REVENUES			
Operating grants	188,369	0	188,369
Excess (def) of revenues over expenses	(16,078)	0	(16,078)
GENERAL REVENUES			
Other revenue	8,062	0	8,062
Excess (def) of revenues over expenses	(8,016)	8,016	0
Change in Net Position		(8,016)	(8,016)
Fund balance/Net position - Beg. of year	57,665	0	57,665
Fund balance/Net position - End of year	\$ 49,649	\$ 0	\$ 49,649

See accompanying notes and independent accountant's review report.

COOS SOIL & WATER CONSERVATION DISTRICT
Coquille, Oregon

NOTES TO FINANCIAL STATEMENTS
as of June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the COOS Soil & Water Conservation District (District) are prepared on a cash basis which is comprehensive basis of accounting other than in accordance with Generally Accepted Accounting Principles (GAAP). All relevant Governmental Accounting Standards Board (GASB) pronouncements are applied.

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this Note. The remainder of the Notes are organized to provide explanations, including required disclosures, of the District's financial activities.

Organization

The District is a municipal corporation and therefore is exempt from federal taxes. It operates under the provisions authorized by Oregon Revised Statute for the purpose of providing local natural resource conservation information.

There are various other governmental agencies and special service districts which provide services within the District's boundaries. However, the District is not financially accountable for any of these entities and accordingly their financial information is not included in these financial statements.

Government-Wide and Fund Financial Statements

The government-wide statements and governmental fund statements are combined as allowed for single-purpose governmental activities. The Statement of Net Position and the Statement of Assets, Liabilities and Fund Balance - Cash Basis are combined with adjustments to bring fund totals to the entity-wide totals on a cash basis. The Statement of Activities and the Governmental Fund Statement of Revenues, Expenses and Changes in Fund Balance - Cash Basis have also been combined with a reconciliation to entity-wide cash basis totals.

Governmental activities are financed primarily through grants.

The District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The financial activities of the District is conducted within the following major governmental fund:

General Fund

This is the general operating fund of the District. The principal revenue is from grants and expenditures cover normal operations.

Basis of Accounting and Presentation

The District's financial statements are presented using the cash basis of accounting. This basis recognizes assets, liabilities, net-position/fund equity, revenues and expense resulting from cash transactions. This basis is a comprehensive basis of accounting other than generally accepted accounting principles.

COOS SOIL & WATER CONSERVATION DISTRICT
Coquille, Oregon

NOTES TO FINANCIAL STATEMENTS
as of June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Restricted Assets

Assets whose use is restricted by agreement are segregated on the Statement of Net Position. Restricted resources are expended first to fund appropriations for which those restrictions are to be utilized. Grant funds awarded for specific projects are considered to be restricted.

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

The District's investment policies are governed by Oregon statutes. The statutes authorize the District to invest primarily in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, high-grade commercial paper and the State Treasurer's Local Government Investment Pool (LGIP). See Note 3A.

The carrying value of cash and cash equivalents and investments approximates fair value.

Budgets

The District is not subject to Oregon Local Budget Law under ORS 294.316(6). Management prepares a budget for planning purposes only.

Fund Equity

The District reports according to fund balance classifications that comprise a hierarchy based on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. The following consist of fund balance categories:

Nonspendable fund balance - represents amounts that are not a spendable form. The nonspendable fund balance represents inventories and prepaid items.

Restrict fund balance - represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).

Committed fund balance - represents funds formally set aside by the governing body for a particular purpose. The Board may commit a fund balance by resolution and modify or rescind commitments.

Assigned fund balance - represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body.

Unassigned fund balance - is the residual classification of the General Fund.

COOS SOIL & WATER CONSERVATION DISTRICT
Coquille, Oregon

NOTES TO FINANCIAL STATEMENTS
as of June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fund Equity

The Board of Directors has approved the following order of spending regarding fund balance categories: Restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and lastly, unassigned fund balance.

Use of Estimates

The preparation of the financial statements in conformity with cash basis requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental fund statement of assets, liabilities and fund balance includes a reconciliation of differences between fund balances and net position. The adjustment reflects the difference in presentation of government-wide to fund financial statements.

The governmental fund statement of revenues, expenses, and changes in fund balance include a reconciliation of differences from fund balance to net position.

NOTE 3 - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

Deposits with financial institutions consist of the following:

	<u>Balance</u>
Cash and cash equivalents	\$ 14,956
Investment – external investment pool	34,693
Total	<u>\$ 49,649</u>

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As required by Oregon Revised Statutes, deposits in excess of federal depository insurance are held at qualified depositories for public funds. All qualified depositories for public funds are included in the multiple financial institution collateral pool that is maintained by and in the name of the Office of the State Treasurer. The District has potential exposure to custodial credit risk if its balance exceeds \$250,000 FDIC as its funds are not in a qualified depository bank. The District does not have a formally adopted deposit policy for custodial credit risk.

COOS SOIL & WATER CONSERVATION DISTRICT
Coquille, Oregon

NOTES TO FINANCIAL STATEMENTS
as of June 30, 2021

NOTE 3 - DETAILED NOTES ON ALL FUNDS - Continued

A. DEPOSITS AND INVESTMENTS

Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Investments

As of June 30, the District held the following investment:

	Fair Value
Local Government Investment Pool (LGIP)	\$ <u>34,693</u>

The Oregon State Treasurer maintains the Oregon Short Term Fund (OSTF), of which the Local Government Investment Pool (LGIP) is a part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statutes and the Oregon Investment Council. In accordance with Oregon statutes, funds are invested as a prudent investor would do, exercising reasonable care, skill and caution. LGIP was created to offer a short-term investment alternative to Oregon local governments and it is not registered with the U. S. Securities and Exchange Commission. The state investment pool is not rated. The investments are regulated by the OSTF and approved by the Oregon Investment Council. At the end of the fiscal year, the fair value of the District's deposits with the LGIP approximated cost. The OSTF financial statements are available at <http://oregon.gov/treasury/public-financial-services/oregon-short-term-funds>.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Oregon statutes limit investment to general obligation of U.S. government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, high-grade commercial paper and the State Treasurer's Local Government Investment Pool. The District has no investment policy that would further limit its investment choices. The LGIP is unrated for credit risk.

Concentration of Credit Risk

At June 30, the District held 100% of total investments in the Oregon State Treasury's Local Government Investment Pool. The District places no limit on the amount the District may invest in any one issuer.

B. OTHER INFORMATION

Rent

The District signs an annual lease with Robert Windeler for the office building and room space. Total rent paid for the year was \$4,800.

COOS SOIL & WATER CONSERVATION DISTRICT
Coquille, Oregon

NOTES TO FINANCIAL STATEMENTS
as of June 30, 2021

NOTE 3 - DETAILED NOTES ON ALL FUNDS - Continued

B. OTHER INFORMATION

Postemployment Benefits Other Than Pensions

As required under ORS 243.303(2) all eligible retirees are allowed to continue coverage (at the retirees' expense) under the group health insurance plan, until age 65 as another post-employment benefit. The difference between the premium actually paid by retirees under the group insurance plan and the premium that they would pay if they were not included in the plan is considered to be an implicit subsidy.

Contingencies

Amounts received from grantor agencies are subject to audit and adjustment by these agencies, principally state government. The amount, if any, of costs which could be disallowed by the grantor cannot be determined at this time, although the District management expects such amounts, if any, to be immaterial.

Economic Dependence

The District is dependent on the State of Oregon for a substantial portion of its operating funds with most of its grants provided through Oregon Department of Agriculture. This year \$43,866 was received.

Risk Management

The District is exposed to various risks of loss related to theft of, damage to, and destruction of assets; tort; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance for such risks. In the last three years, there were no insurance claims filed.

Evaluation of Subsequent Events

In the beginning of March 2020, the COVID-19 virus was declared a global pandemic and later in the same month the Oregon governor issued Executive Order No. 20-12 which directed Oregonians to "Stay Home, Save Lives". It was anticipated communities would be severely impacted with the temporarily closing of businesses. In June 2021, the Governor lifted most COVID-19 restrictions and reopened the state for business activities. However, effective August 27, 2021, a new statewide outdoor mask requirement was required to help stop the spread of the highly contagious Delta variant.

Management has evaluated subsequent events through September 20, 2021, the date on which the financial statements were available to be issued.

**COOS SOIL & WATER CONSERVATION DISTRICT
COQUILLE, OREGON**

SUPPLEMENTAL SECTION

COOS SOIL & WATER CONSERVATION DISTRICT

Coquille, Oregon

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET
AND ACTUAL - CASH BASIS - GOVERNMENTAL FUND TYPE for the Year Ended June 30, 2021

GENERAL FUND			
	Original and Final Budget	Actual	Variance
REVENUES			
Administration fees	\$ 6,203	\$ 4,995	\$ (1,208)
Grant income	315,961	188,369	(127,592)
Mileage	300	0	(300)
Interest	600	196	(404)
Status reporting income	0	1,600	1,600
Miscellaneous	0	1,271	1,271
Total revenues	<u>323,064</u>	<u>196,431</u>	<u>(126,633)</u>
EXPENSES			
Personnel services			
District manager	46,280	46,888	(608)
Administrative assistant	35,081	38,237	(3,156)
Watershed Tech	37,319	30,175	7,144
Administration fees	10,660	4,995	5,665
Contracted services	<u>31,742</u>	<u>56,872</u>	<u>(25,130)</u>
Total personnel services	<u>161,082</u>	<u>177,167</u>	<u>(16,085)</u>
Materials and services			
Supplies			
Training	1,500	107	1,393
Project expenses	97,523	5,505	92,018
Rent	6,030	5,130	900
Production costs			
Production	1,500	1,344	156
District website	627	625	2
Office supplies	8,445	5,114	3,331
Postage	1,200	765	435
Administration			
Advertising/legal notices	419	48	371
Audit Fee	5,000	0	5,000
Bank charges	250	200	50
Insurance	3,200	1,307	1,893
Annual meeting	650	603	47
Electricity	800	874	(74)
Telephone/internet	1,800	2,312	(512)
Membership dues	310	210	100
Vehicle maintenance	1,000	0	1,000
Equipment	2,300	318	1,982
Travel and mileage	4,646	1,218	3,428
2 year status monitoring	<u>1,200</u>	<u>1,600</u>	<u>(400)</u>
Total materials and services	<u>138,400</u>	<u>27,280</u>	<u>111,120</u>
Total expenses	<u>299,482</u>	<u>204,447</u>	<u>95,035</u>
Excess (def) of revenues over expenses	23,582	(8,016)	(31,598)
FUND BALANCE - Beginning of year (Cash basis)	<u>(23,582)</u>	<u>57,665</u>	<u>81,247</u>
FUND BALANCE - End of year (Cash basis)	<u>\$ 0</u>	<u>\$ 49,649</u>	<u>\$ 49,649</u>

See accompanying notes and independent accountant's review report.

**COOS SOIL & WATER CONSERVATION DISTRICT
COQUILLE, OREGON**

COMPLIANCE SECTION

COOS SOIL & WATER CONSERVATION DISTRICT
Coquille, Oregon

**MANAGEMENT REPRESENTATION OF FISCAL AFFAIRS
REQUIRED BY OREGON STATE REGULATIONS**

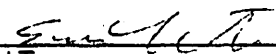
The Coos Soil & Water Conservation District is subject to, and responsible for, compliance with various laws, rules, and regulations relating to its operation and finances. Among such laws, rules, and regulations are the requirements prescribed in Municipal Audit Law (ORS Chapter 297) and the Minimum Standards for Review of Oregon Municipal Corporations (OAR 162, Division 40) including, but not limited to:

- a. Deposit of public funds with financial institutions (ORS Chapter 295).
- b. Indebtedness limitations, restrictions, and repayment.
- c. Insurance and fidelity bonds in force or required by law.
- d. Programs funded from outside sources.
- e. Authorized investment of surplus funds (ORS Chapter 294).
- f. Public contracts, purchasing, and improvements (ORS Chapters 279A, 279B, and 279C).

Statement Required by ORS 297.435(3)(c)

The Board Members and the District was covered the entire year ended June 30 by a \$250,000 bond.

The management of the Coos Soil & Water Conservation District is aware of the requirements of Oregon laws and administrative rules concerning each of the above requirements and has complied, in all material respects, with such requirements. Further, we are not aware of any violations or possible violations of laws, rules, or regulations, whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.



Board Treasurer
September 20, 2021