

MONUMENT SOIL AND WATER
CONSERVATION DISTRICT

Financial Statements and
Independent Accountants' Review Report

June 30, 2022

MONUMENT SOIL AND WATER CONSERVATION DISTRICT

Board of Directors as of June 30, 2022

BOARD MEMBERS

Term Expires

Jim Bahrenburg, Chairman	2022
Andy Watkins, Vice-Chairman	2024
Jeff Thomas, Secretary-Treasurer	2024
Lisa Atkin, Director	2022
Brian Campbell, Director	2024

EMPLOYEES

District Manager	Erik Rook
Office Manager	BA Robbins

REGISTERED AGENT AND OFFICE

Andy Watkins
P.O. Box 95
Monument, OR 97864

MONUMENT SOIL AND WATER CONSERVATION DISTRICT

Contents
June 30, 2022

Independent Accountant's Review Report	3-4
Management's Discussion and Analysis	5-8
Basic financial statements	
General fund balance sheet/statement of net position	9
Governmental fund revenues, expenditures, and changes in fund balance balance and statement of activities	10
Notes to financial statements	11-15
Supplementary information	
General fund expenditures	17
Management representation of fiscal affairs	18

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
Monument Soil and Water Conservation District
Monument, Oregon

We have reviewed the accompanying financial statements of the governmental activities and the general fund of Monument 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 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 statements as a whole. Accordingly, we 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our 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 us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Monument Soil and Water Conservation District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information


Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 through 8 be presented to supplement the basic financial statements. Such information, although not a required 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information and we do not express an opinion, a conclusion, nor provide any assurance on it.

Supplementary Information

The supplementary information included on page 17 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 our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Management Representation of Fiscal Affairs Required by Oregon Regulation

The Management Representation of Fiscal Affairs Required by Oregon Regulation, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have not audited or reviewed such information, and accordingly, we do not express an opinion, a conclusion, nor provide any assurance on it.

By: 

Richard L. Stoddard, Shareholder
December 31, 2022

MONUMENT SOIL AND WATER CONSERVATION DISTRICT

Management's Discussion and Analysis

June 30, 2022

Management's Discussion and Analysis

This discussion and analysis provides highlights of financial activities of Monument Soil and Water Conservation District (the District), for the fiscal year ended June 30, 2022. This analysis focuses on current year activities and should be read in conjunction with the financial statements that follows.

Financial Highlights

As of June 30, 2022, the District reported net position of \$177,533, a decrease of \$26,002 from June 30, 2021. Of this amount \$13,434 is invested in capital assets and \$164,099 is unrestricted.

Overview of the financial Statements

This discussion and analysis is intended to serve as an introduction to the district's basic financial statement. The District's basic financial statements comprise three components: 1) Government-Wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements.

Government-Wide Financial Statements

The Government-Wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business, and include the Statement of Net Position and the statement of Activities.

The Statement of Net Position presents information on all of the District's assets and liabilities with the difference between the two reported as Net Position. Over time, increases or decreases in net position may serve as a useful indicator to whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected receivables and earned but unused paid time off).

In the Government-Wide financial statements, the District's activities are shown in one category: governmental activities. The governmental activity of the District is to provide local natural resources conservation projects and directions to local landowners. Charges for products and services and grants provide the resources for these projects.

MONUMENT SOIL AND WATER CONSERVATION DISTRICT

Management's Discussion and Analysis

June 30, 2022

Fund Financial Statements

The District operates with one governmental fund which is its General Fund. The Fund Financial Statements are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financing requirements.

Notes to Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements are on pages 11 through 15 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$177,533 at June 30, 2022, and \$133,240 on June 30, 2021. This is a net decrease of \$26,002 between 2021 and 2022. Revenues were \$197,797 and expenses were \$223,799 for the year ended June 30, 2022.

The following is a condensed Statement of Net Position:

	2022	2021
Current Assets	\$ 183,106	\$ 231,951
Net Capital Assets	13,434	18,698
Total Assets	<u>\$ 196,540</u>	<u>\$ 250,649</u>
Liabilities	\$ 19,007	\$ 47,114
Net Position:		
Net Investment in capital assets	13,434	18,698
Unrestricted	164,099	184,837
Total net position	<u>177,533</u>	<u>203,535</u>
Total Liabilities and Net Position	<u>\$ 196,540</u>	<u>\$ 250,649</u>

MONUMENT SOIL AND WATER CONSERVATION DISTRICT

Management's Discussion and Analysis

June 30, 2022

Changes in Net Position

	<u>2022</u>	<u>2021</u>
Revenues		
Charges for services	\$ 36,715	\$ 37,932
Operating grants	160,936	428,667
Interest and Miscellaneous	146	252
Gain on sale of assets	-	5,945
Total revenues	<u>197,797</u>	<u>472,796</u>
Expenses		
Materials and services	85,755	208,205
Personal services	132,780	185,903
Depreciation	5,264	8,393
Total expenses	<u>223,799</u>	<u>402,501</u>
Change in Net Position	(26,002)	70,295
Net Position - Beginning of Year	<u>203,535</u>	<u>133,240</u>
Net Position - End of Year	<u>\$ 177,533</u>	<u>\$ 203,535</u>

MONUMENT SOIL AND WATER CONSERVATION DISTRICT

Management's Discussion and Analysis

June 30, 2022

Financial Analysis of the Government's Funds

The focus of the District's governmental fund 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 a government's net resources available for spending at the end of the fiscal year.

At June 30, 2022, the District's governmental fund reported ending fund balance of \$170,986, a decrease of \$22,239 in comparison with the prior year due to a reduction in grant income. The majority of this total amount constitutes unassigned fund balance which is available for spending at the government's discretion.

Economic Factors

The District is almost entirely dependent on funding received through grants obtained from different Federal, State, and Local agencies. These agencies, in turn, are only able to provide funding to the District according to their funding levels, and the revenue received by the District fluctuates accordingly.

Requests for Information

This financial report is designed to provide a general overview of Monument Soil and Water Conservation District's finances. Questions concerning any of the information provided in this report or requests for additional information can be obtained by contacting the office of Monument Soil and Water Conservation District at the address or phone number below.

Monument Soil and Water Conservation District
P.O. Box 95
Monument, Oregon 97864
Phone (541) 934-2141

MONUMENT SOIL AND WATER CONSERVATION DISTRICT

General Fund Balance Sheet and Statement of Net Position

June 30, 2022

	<u>General Fund</u>	<u>Adjustments (Note 8)</u>	<u>Statement of Net Position</u>
<u>ASSETS:</u>			
Cash and investments	\$ 141,645	\$ -	\$ 141,645
Inventory	20,900	-	20,900
Grant and other receivables	20,561	-	20,561
Capital assets, net of accumulated depreciation	-	13,434	13,434
Total assets	<u>183,106</u>	<u>13,434</u>	<u>196,540</u>
<u>LIABILITIES:</u>			
Accounts payable	\$ 12,120	-	12,120
Accrued payroll and employee benefits	-	6,887	6,887
Total liabilities	<u>12,120</u>	<u>6,887</u>	<u>19,007</u>
<u>FUND BALANCES:</u>			
Nonspendable	20,900	(20,900)	-
Unassigned	150,086	(150,086)	-
Total fund balances	<u>170,986</u>		
Total liabilities and fund balance	<u>\$ 183,106</u>		
<u>NET POSITION:</u>			
Investment in capital assets		13,434	13,434
Unrestricted		164,099	164,099
Total net position		<u>\$ 6,547</u>	<u>\$ 177,533</u>

See accompanying independent accountant's review report and notes to the financial statements.

MONUMENT SOIL AND WATER CONSERVATION DISTRICT

Governmental Fund Revenues, Expenditures, and Changes
in Fund Balances and Statement of Activities
Year Ended June 30, 2022

	<u>General Fund</u>	<u>Adjustments (Note 9)</u>	<u>Statement of Activities</u>
<u>EXPENDITURES/EXPENSES:</u>			
Conservation operations:			
Personal services	\$ 134,281	\$ (1,501)	\$ 132,780
Materials and services:			
Grant project costs	52,384	-	52,384
Administrative costs	32,715	-	32,715
Capital Outlay	656	-	656
Depreciation	-	5,264	5,264
Total expenditures/expenses	<u>220,036</u>	<u>3,763</u>	<u>223,799</u>
<u>PROGRAM REVENUES:</u>			
Charges for services	36,715	-	36,715
Operating grants	160,936	-	160,936
Total program revenues	<u>197,651</u>	<u>-</u>	<u>197,651</u>
Net program expense	<u>(22,385)</u>	<u>(3,763)</u>	<u>(26,148)</u>
<u>GENERAL REVENUES:</u>			
Interest	<u>146</u>	<u>-</u>	<u>146</u>
<u>CHANGE IN NET POSITION</u>	<u>(22,239)</u>	<u>(3,763)</u>	<u>(26,002)</u>
<u>FUND BALANCE / NET POSITION:</u>			
Beginning of the year	<u>193,225</u>	<u>10,310</u>	<u>203,535</u>
End of the year	<u>\$ 170,986</u>	<u>\$ 6,547</u>	<u>\$ 177,533</u>

See accompanying independent accountant's review report and notes to the financial statements.

MONUMENT SOIL AND WATER CONSERVATION DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Monument Soil and Water Conservation District (the District) is a municipal corporation governed by a five member Board of directors. Three of the board members are elected by zone. The other two board members are elected at-large. The District was established in 1942 under provision of ORS 568. The District provides assistance to local landowners for soil, water, and related natural resource management and conservation. The District's programs are funded through the Oregon Department of Agriculture, Oregon Watershed Enhancement Board, USDA Natural Resources Conservation Service, and other programs funded from outside sources.

The District has determined that no other outside agency is required to be included as a component unit in the District's financial statements. The District is not a component unit of any other government.

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial and financial reporting principles. The more significant policies of the district are described below.

Measurement focus, basis of accounting and financial statement presentation:

The government-wide financial statements (the statement of net position and the statement of activities) are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when incurred regardless of the timing of the related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available if they are received during the current period or soon enough thereafter to pay liabilities of the current period. The District considers this to be revenues collected within 60 days after the end of the current fiscal year. Expenditures are generally recorded when incurred except interest on long-term debt.

Major Fund

The District operates with only one fund which is the General Fund.

Budget Policy

The District prepares a budget for its operation of management purposes. State Statutes require that a budget be prepared for this purpose, but no other provisions of Local Budget Law apply to the District.

Income taxes

The District is exempt from federal and state income taxes.

MONUMENT SOIL AND WATER CONSERVATION DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Cash

Cash includes amounts in demand deposits. The District considers interest bearing investments due on demand as cash equivalents.

Capital assets

Capital assets include property, building and improvements, and equipment and are reported in the governmental column in the government-wide Statement of Net Position. Capital assets are defined by the district as assets with an initial cost of more than \$500 an estimated useful life of more one year. Capital Assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their fair-market value at the date of donation.

Capital assets are depreciated using the straight-line method over the estimated useful life of the asset.

Accrued compensated Absences

The district employees are allowed to accumulated earned but unused paid time off up to 160 hours per employee. A liability for the vested portion of such leave is reported in the financial statements.

Inventory

The district carries inventory for resale to its customers. The inventory is stated at the lower of cost or market using the first-in, first-out method. The district records purchases as assets, and expenses as they are used.

Long-term Debt

The District does not have any long-term debt.

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fund Balance Reporting

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

MONUMENT SOIL AND WATER CONSERVATION DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Fund balance is required to be reported within one of the fund balance categories as follows:

1. Non-spendable - these are items such as fund balances associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless proceeds are restricted, committed or assigned).
2. Restricted - This fund balance category includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers or through enabling legislation.
3. Committed - This fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's governing board (the District's highest level of decision-making authority).
4. Assigned - This fund balance classification is intended to be used by the government for specific purposes but does not meet the criteria to be classified as restricted or committed.
5. Unassigned - This fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the District's policy is to first apply the expenses toward restricted resources. When the option is available to use committed, assigned, or unassigned resources for any purpose, the District's policy is to expend committed resources before assigned resources and assigned resources before unassigned resources.

NOTE 2 - DEPOSITS:

Deposits with Financial Institutions

Deposits with financial institutes are comprised of a demand checking account and a savings account. Effective July 1, 2008, the State of Oregon formed the Oregon Public Collateralization Program under ORS 295. The program creates a state-wide pool of qualified bank depositories for local governments providing collateralization for bank deposits that exceed the limits of federal Depository Insurance Corporation (FDIC) and eliminating the need for certificates of participation. As of June 30, 2022 the District had a total bank balance of \$144,209, that was covered by FDIC coverage and collateralized by the Oregon Public Collateralization Program.

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 the government. The District's policy, in compliance with State Statutes, requires that the deposits be covered by FDIC and deposited in a qualified depository for public funds.

MONUMENT SOIL AND WATER CONSERVATION DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 3 - ACCOUNTS RECEIVABLE:

The District's accounts receivable are due from granting agencies for expended funds of the District. The District has billed the agency under the terms of the specific project for reimbursement of the fund expended. Accounts receivable also includes charges billed to customers for their portion of projects, materials and supplies.

An allowance for bad debts has not been established since the District feels that amounts not collected under the grant agreements and customer payments would be immaterial. There were no accounts receivable aged over 90 days at June 30, 2022.

NOTE 4 - CAPITAL ASSETS:

Capital Asset activity for the year is as follows:

	Balance			
	<u>July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2022</u>
Capital Assets				
Equipment	\$ 85,064	\$ -	\$ -	\$ 85,064
Accumulated depreciation	<u>(66,366)</u>	<u>(5,264)</u>	<u>-</u>	<u>(71,630)</u>
Net Book Value	<u>\$ 18,698</u>	<u>\$ (5,264)</u>	<u>\$ -</u>	<u>\$ 13,434</u>

Depreciation Expense for the year ended June 30, 2022 was \$5,264.

NOTE 5 - EMPLOYMENT BENEFITS:

The District provides all full-time employees with a pre-tax benefit program for health insurance benefits.

NOTE 6 - RISK MANAGEMENT:

The District is exposed to various risk of loss related to torts; theft or damage to and destruction of assets; errors and omissions; injury to employees; and natural disasters for which the District carries commercial insurance. The District reviews the coverage periodically and there has not been a significant reduction in coverage from the prior years. Any settlements have not exceeded coverage in the past three years.

NOTE 7 - LEASES:

The District rents its Office for \$450 per month on a month to month agreement. The District paid office rent of \$4,950 for the years ended June 30, 2022.

The District also has occasional hall rent for Board of Directors meetings.

MONUMENT SOIL AND WATER CONSERVATION DISTRICT

Notes to Financial Statements

June 30, 2022

**NOTE 8 - RECONCILIATION OF TOTAL GOVERNMENT FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES:**

Total governmental fund balances	\$ 170,986
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	13,434
Accrued compensated absences are not due and payable in the current period, so they are not recorded in the governmental funds.	<u>(6,887)</u>
Net position of governmental activities	<u><u>\$ 177,533</u></u>

**NOTE 9 - RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES:**

Net change in governmental fund balances	\$ (22,239)
Current year depreciation	(5,264)
Accrued compensated absences do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>1,501</u>
Change in net position of governmental activities	<u><u>\$ (26,002)</u></u>

NOTE 10 - SUBSEQUENT EVENTS:

The District has evaluated all subsequent events through the date of this report, which is the date the financial statements were available to be issued. The District is not aware of any subsequent events that would materially effect the financial statements.

SUPPLEMENTARY INFORMATION

MONUMENT SOIL AND WATER CONSERVATION DISTRICT

General Fund Expenditures
Year Ended June 30, 2022

	<u>2022</u>
Operating Expenses	
Personal Services	
Wages and taxes	\$ 119,735
Employee benefits	14,546
Total personal services	<u>134,281</u>
Materials and Services	
Project cost	28,694
Costs of goods sold	23,690
Dues and memberships	1,021
Field supplies	140
Fuel expense	956
Internet service	1,285
Leased office equipment	1,162
Liability insurance	3,530
Licenses and fees	1,873
Office and hall rent	4,950
Office expense	1,877
Outreach and education	2,024
Postage	180
Professional fees	10,161
Shop expense	60
Software	1,151
Telephone	1,543
Travel	68
Vehicle expense	734
Total materials and services	<u>85,099</u>
Capital outlay	<u>656</u>
Total operating expenses	<u>\$ 220,036</u>

Monument Soil and Water Conservation District
P.O. Box 95
Monument, OR 97864

MANAGEMENT REPRESENTATION OF FISCAL AFFAIRS

Monument Soil and 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. Highway revenues used for public highways and roads (ORS Chapters 294, 368 & 373).
- f. Authorized investment of surplus funds (ORS Chapter 294).
- g. Public contracts, purchasing, and improvements (ORS Chapters 279A, 279B, and 279C).

The management of Monument Soil and 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.

Monument Soil and Water Conservation District

By: 

Erik Rook, District Manager

December 31, 2022