

UPPER WILLAMETTE SOIL AND
WATER CONSERVATION DISTRICT
Eugene, Oregon

FINANCIAL STATEMENTS and
INDEPENDENT ACCOUNTANT'S
REVIEW REPORT
JUNE 30, 2020

UPPER WILLAMETTE SOIL AND WATER CONSERVATION DISTRICT
Eugene, Oregon
BOARD OF DIRECTORS

<u>Title</u>	<u>Name</u>
Director - Zone 1 - Chair	Al Hrynshyn 24755 Lavelle Road Junction City, OR 97448
Co-Chair - Zone 5 - Vice-chair	Ralph Perkins 37634 Wallace Creek Road Springfield, OR 97478
Chair - Zone 3 - Secretary/Treasurer	Gary Jensen 87388 Halderson Road Eugene, OR 97402
Director - Zone 4	Abel Kloster 80227 Hazelton Rd. Cottage Grove, OR 97424
Director - Zone 2	Mary Durfee 3445 Chevy Chase St. Eugene, OR 97401
Director - Zone 2 - At Large	Malcom Wilson 961 E 21 st Ave. Eugene, OR 97405
Director - Zone 1 - At Large	Chuck Arrera 85350 Svarverud Rd. Eugene, OR 97405
Associate Director	Eric Nusbaum 78 Arbor Dr. Eugene, OR 97404

ADMINISTRATION

District Manager	David Downing
Administrative Specialist	Clarissa Berndt
District Conservationist	Tom Snyder
NRCS Soil Conservationist	Bruce Moffatt
Watershed Technician	Lily Leitermann

REGISTERED OFFICE AND AGENT
David Downing, Registered Agent
Upper Willamette Soil and Water Conservation District
780 Bailey Hill Road, Suite 5, Eugene, OR 97402

UPPER WILLAMETTE SOIL AND WATER CONSERVATION DISTRICT
Eugene, Oregon

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Upper Willamette Soil and Water Conservation District
Eugene, Oregon 97402

I have reviewed the accompanying financial statements of the governmental activities and its major fund of Upper Willamette Soil and Water Conservation District (District), as of and for the year ended June 30, 2020, 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, I do not express such an opinion.

Management's Responsibility for 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 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 accounting principles generally accepted in the United States of America. 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 conformity with accounting principles generally accepted in the United States of America.

Required Supplemental Information

Management has omitted the management's discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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.

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.

Richard Maxwell CPA LLC

Richard Maxwell CPA LLC
Eugene, Oregon
December 23, 2020

UPPER WILLAMETTE SOIL & WATER CONSERVATION DISTRICT
EUGENE, OREGON
STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET

June 30, 2020

	General Fund	Reconciliation (Note 2)	Statement of Net Position
ASSETS			
Cash and cash equivalents	\$ 103,649	\$ -	\$ 103,649
Receivable from other governments	-	-	0
Capital assets - net	-	1,957	1,957
Total assets	\$ 103,649	\$ 1,957	\$ 105,606
LIABILITIES			
Wages and other payroll liabilities	\$ 3,622	\$ -	\$ 3,622
Total liabilities	3,622	-	3,622
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - grants unearned	1,245	-	1,245
FUND BALANCE			
Assigned for future election costs	13,750	(13,750)	-
Unassigned	85,032	(85,032)	-
Total fund balance	98,782	(98,782)	-
Total liabilities and fund balance	\$ 103,649	(98,782)	4,867
NET POSITION			
Invested in capital assets		1,957	1,957
Unrestricted		98,781	98,781
		\$ 100,738	\$ 100,738

See accompanying notes and Accountant's Review Report.

UPPER WILLAMETTE SOIL & WATER CONSERVATION DISTRICT
EUGENE, OREGON
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Year Ended June 30, 2020

	<u>General Fund</u>	<u>Reconciliation (Note 2)</u>	<u>Statement of Net Position</u>
EXPENDITURES			
Wages and benefits	\$ 135,753	\$ -	\$ 135,753
Administrative costs	74,912	1,583	73,329
Depreciation	-	611	611
Total program expenditures	<u>210,665</u>	<u>2,194</u>	<u>209,693</u>
PROGRAM REVENUES			
Operating grants	<u>167,368</u>	-	<u>167,368</u>
Total program revenues	<u>167,368</u>	<u>-</u>	<u>167,368</u>
Net program income	(43,297)	972	(42,325)
GENERAL REVENUES			
Charges for services	120,476	-	120,476
Interest	1	-	1
Miscellaneous	857	(401)	1,258
Total general revenues	<u>121,334</u>	<u>(401)</u>	<u>121,735</u>
Excess (deficiency) of revenues over expenditures	78,037	571	79,410
Fund balance/Net position - beginning	<u>20,745</u>	<u>(583)</u>	<u>21,328</u>
Fund balance/Net position - ending	<u>\$ 98,782</u>	<u>\$ (12)</u>	<u>\$ 100,738</u>

See accompanying notes and Accountant's Review Report.

UPPER WILLAMETTE SOIL & WATER CONSERVATION DISTRICT
Eugene, Oregon

Notes to the Financial Statements
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Upper Willamette Soil and Water Conservation District (the District) is a subdivision of state government and functions as a local unit under the direction of an elected board of directors. The District assists in local conservation needs, encourages conservation practices by landowners on land and water resource problems, and promotes responsible use of natural resources by providing leadership and information and initiating various natural resource conservation activities.

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

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 financial statements (i.e., the statement of net position and the statement of activities) report information on the nonfiduciary activities of the District. Governmental activities are financed primarily through grants. Major individual governmental funds are reported as separate columns in the fund financial statements. A fund is a separate accounting entity with a self-balancing set of accounts.

The statement of activities demonstrates the degree to which the direct expense of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues. The District has no indirect expense.

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

General Fund

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

UPPER WILLAMETTE SOIL & WATER CONSERVATION DISTRICT
Eugene, Oregon

Notes to the Financial Statements
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Restricted Assets

Assets whose use is restricted by agreement are segregated on the balance sheet. Restricted resources are expended first to fund appropriations for which those restrictions are to be utilized. Grant funds awarded for specific conservation 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.

Capital Assets

Capital assets, which consist of equipment, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined in the District's capitalization policy as having a historic cost or fair value in excess of \$500 and an estimated useful life in excess of one year. Donated assets are valued at their estimated fair value at the date of the donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets are depreciated using the straight-line method over the following estimated useful lives.

	<u>Years</u>
Equipment	10
Computers	5

UPPER WILLAMETTE SOIL & WATER CONSERVATION DISTRICT
Eugene, Oregon

Notes to the Financial Statements
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. The amount of accumulated vacation and personal leave, including associated payroll taxes that are payable from future resources is recorded in the government-wide financial statements. Accumulated sick leave does not vest and is, therefore, recorded when leave is taken.

Budget

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

Fund Balance/Net Position

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.

Restricted fund balance - represents amounts that are legally restricted by outside parties for a specific purpose or are restricted by law.

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.

Restricted Net Position represents federal and state grant obligations. 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 generally accepted accounting principles 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.

UPPER WILLAMETTE SOIL & WATER CONSERVATION DISTRICT
Eugene, Oregon

Notes to the Financial Statements
June 30, 2020

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

The governmental fund balance sheet includes a reconciliation of differences between fund balance and net position. Adjustments for the current year were for capital assets and compensated absences. The governmental fund statement of revenues, expenditures, and changes in fund balance includes a reconciliation of differences between fund balances and net position. Adjustments for the current year was depreciation.

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	\$103,649

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. At year-end, the District has deposits of \$103,598, with a bank value of \$110,137, all insured by the Federal Depository Insurance Corporation (FDIC). The District does not have a formally adopted deposit policy for custodial credit risk.

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.

B. CAPITAL ASSETS

Capital asset activity for the year ended June 30:

	Balance 7/1/2019	Additions	Deletions	Balance 6/30/2020
Capital assets being depreciated:				
Equipment	\$ 3,324	\$ 1,584	\$ -	\$ 4,908
Total	3,324	1,584	-	4,908
Less: accumulated depreciation				
Equipment	(2,340)	(611)	-	(2,951)
Total	(2,340)	(611)	-	(2,951)
Net capital assets being depreciated	984	973	-	1,957
Net capital assets	\$ 984	\$ 973	\$ -	\$ 1,957

UPPER WILLAMETTE SOIL & WATER CONSERVATION DISTRICT
Eugene, Oregon

Notes to the Financial Statements
June 30, 2020

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

C. RETIREMENT PLAN

The District offers its employees both a 401(a) plan for employer contributions and a 457(b) plan for employee contributions. Both plans are administered by Nationwide Retirement Solutions. All employees are eligible to contribute after a 90-day probation period. The employee is required to contribute a minimum of \$25 per pay period. Per District policy, the District will pay a maximum of \$300 per pay period for a full-time employee and pro-rata the contribution for part-time employees. All employee contributions are immediately vested. The District made no contribution during the fiscal year ended June 30, 2020 to the 401(a) plan. In-lieu of retirement contributions, the employees may choose a taxable medical stipend.

D. OTHER INFORMATION

Intergovernmental Agreement

The District has a formal agreement with Oregon Department of Agriculture, Natural Resources Division, and the United States Department of Agriculture, Natural Resources Conservation Service (NRCS), pertaining to the sharing of NRCS office space, office equipment, field equipment, vehicles, and the training and supervision of District employees.

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

Management has evaluated subsequent events through December 15, 2020, the date on which the financial statements were available to be issued.

MANAGEMENT REPRESENTATION OF FISCAL AFFAIRS
REQUIRED BY OREGON STATE REGULATIONS

Upper Willamette 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. Authorized investment of surplus funds (ORS Chapter 294).
- f. Public contracts, purchasing, and improvements (ORS Chapters 279A, 279B, and 279C).

The management of Upper Willamette 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.


Name and Title

December 23, 2020