

**BENTON SOIL AND WATER
CONSERVATION DISTRICT**
Corvallis, Oregon

ANNUAL FINANCIAL REPORT

June 30, 2023



**BENTON SOIL AND WATER CONSERVATION DISTRICT
Corvallis, Oregon**

DISTRICT OFFICIALS

June 30, 2023

BOARD OF DIRECTORS

Nate Johnson, Chair
6910 SW Plymouth Drive
Corvallis, Oregon 97333

Jerry Paul, Treasurer
1255 NW Highland Dell Drive
Corvallis, Oregon 97330

Kerry Hastings, Secretary
24027 Hawley Creek Road
Monroe, Oregon 97456

David Barron
39005 Marys River Road
Blodgett, Oregon 97326

Marcella Henkels
7540 NE Pettibone Drive
Corvallis, Oregon 97330

Gregory Jones
20368 Honey Grove Road
Alsea, Oregon 97324

Eliza Mason
301 N 10th Street
Monroe, Oregon 97456

EXECUTIVE DIRECTOR

Holly Crosson
136 SW Washington Avenue, Suite 201
Corvallis, Oregon 97333

**BENTON SOIL AND WATER CONSERVATION DISTRICT
Corvallis, Oregon**

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FINANCIAL SECTION

KOONTZ, BLASQUEZ
ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Benton Soil and Water Conservation District
Corvallis, Oregon 97333

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of Benton Soil and Water Conservation District, Corvallis, Oregon as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Benton Soil and Water Conservation District as of June 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Benton 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

Benton Soil and Water Conservation District's management is responsible for the preparation and fair presentation of the 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 Benton 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 GAAS 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 GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, 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 Benton 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 the 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 and analysis and budgetary comparison information on pages 4 through 9, and 30 through 31, respectively, 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 auditing standards generally accepted in the United States of America, which consisted 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 management's discussion and analysis because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison information has 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 basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Benton Soil and Water Conservation District's basic financial statements. The individual fund schedules and schedule of property tax transactions are presented for purposes of additional analysis and are not a required part of the basic financial statements.

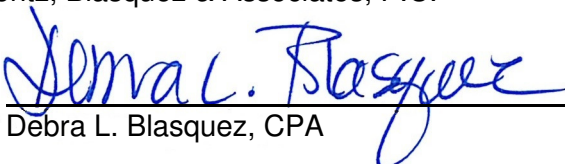
The individual fund schedules are the responsibility of management, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic 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 basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The schedule of property tax transactions has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Report on Other Legal and Regulatory Requirements

In accordance with the Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 16, 2023 on our consideration of 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 compliance.

Koontz, Blasquez & Associates, P.C.

By: 
Debra L. Blasquez, CPA

Albany, Oregon
November 16, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

BENTON SOIL AND WATER CONSERVATION DISTRICT

Corvallis, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

INTRODUCTION

As management of Benton Soil and Water Conservation District, Corvallis, Oregon, we offer readers this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2023. It should be read in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- At June 30, 2023, total net position of Benton Soil and Water Conservation District amounted to \$912,790. Of this amount, \$3,956 was invested in capital assets, \$10,207 was restricted for conservation projects, and the remaining balance of \$898,627 was unrestricted.
- The District's total net position increased by \$85,529 during the current fiscal year.
- Overall revenues were \$942,106, which exceeded total expenditures of \$856,577 by \$85,529.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Benton Soil and Water Conservation District's basic financial statements. The District's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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.

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 of 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 this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements can be found on pages 10 through 11 of this report.

BENTON SOIL AND WATER CONSERVATION DISTRICT

Corvallis, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Fund Financial Statements

The fund financial statements are designed to demonstrate compliance with finance-related legal requirements overseeing the use of fund accounting. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives. All of the funds of Benton Soil and Water Conservation District are governmental funds.

□ Governmental Funds

Governmental funds 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 available resources, as well as on balances of available resources at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains three individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Project, and Building Reserve Funds, all of which are considered to be major governmental funds.

Benton Soil and Water Conservation District adopts an annual appropriated budget for all of its funds. A budgetary comparison statement has been provided for each fund individually to demonstrate compliance with their respective budgets.

The basic governmental fund financial statements can be found on pages 12 through 15 of this report.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the financial data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 16 through 29 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, which includes budgetary comparison information for the General and Project Funds. This required supplementary information can be found on pages 30 through 31 of this report.

BENTON SOIL AND WATER CONSERVATION DISTRICT
Corvallis, Oregon

MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)

Individual fund financial schedules can be found immediately following the required supplementary information on page 32 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the District’s financial position. At June 30, 2023, the District’s assets exceeded liabilities and deferred inflows of resources by \$912,790.

A portion of the District’s net position reflects its investment in capital assets (e.g., land, buildings, and equipment). The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

District’s Net Position

At the end of the current fiscal year, the District was able to report positive balances in all categories of net position. The District’s net position increased by \$85,529 during the current fiscal year.

Condensed statement of net position information is shown below.

Condensed Statement of Net Position

	Governmental Activities	
	2023	2022
Assets		
Current assets	\$ 1,023,717	\$ 908,626
Restricted assets	47,571	96,372
Noncurrent assets	55,829	36,215
Total assets	1,127,117	1,041,213
Liabilities and deferred inflows of resources		
Current liabilities	133,204	109,482
Noncurrent liabilities	25,095	10,293
Deferred inflows of resources	56,028	94,177
Total liabilities and deferred inflows of resources	214,327	213,952
Net position		
Invested in capital assets	3,956	6,240
Restricted	10,207	15,580
Unrestricted	898,627	805,441
Total net position	\$ 912,790	\$ 827,261

BENTON SOIL AND WATER CONSERVATION DISTRICT
Corvallis, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

District's Changes in Net Position

The condensed statement of activities information shown below explains changes in net position.

Condensed Statement of Activities

	Governmental Activities	
	<u>2023</u>	<u>2022</u>
Program revenues		
Charges for services	\$ 21,897	\$ 42,332
Operating grants and contributions	<u>392,786</u>	<u>350,612</u>
Total program revenues	<u>414,683</u>	<u>392,944</u>
General revenues		
Property taxes	500,332	482,586
Investment earnings	26,591	6,751
Miscellaneous	<u>500</u>	<u>2,655</u>
Total general revenues	<u>527,423</u>	<u>491,992</u>
Total revenues	942,106	884,936
Program expenses		
Soil and water conservation	<u>856,577</u>	<u>811,917</u>
Change in net position	85,529	73,019
Net position - beginning of year	<u>827,261</u>	<u>754,242</u>
Net position - end of year	<u><u>\$ 912,790</u></u>	<u><u>\$ 827,261</u></u>

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measurement of the District's net resources available for spending at the end of the fiscal year.

BENTON SOIL AND WATER CONSERVATION DISTRICT
Corvallis, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

At the end of the current fiscal year, the District's governmental funds reported combined fund balances of \$935,351, an increase of \$81,269 over the prior year. This amount included \$8,418 of nonspendable amounts related to prepaid expenses, \$10,207 restricted for conservation projects, \$80,000 committed to programs, and \$113,200 assigned to building projects. The remaining \$723,526 constitutes unassigned fund balance available for spending at the District's discretion.

BUDGETARY HIGHLIGHTS: GENERAL FUND

Significant variances between budgeted and actual amounts in the General Fund for the year ended June 30, 2023 include:

- Charges for services were budgeted for \$10,000. Actual revenues were \$21,897 (119.0% over budget). This is the result of more revenue than anticipated being brought in by the District's Native Plant Sale and Native Bulb and Seed Sale. Customer orders for native plants and the revenue generated from them can vary considerably from one year to the next. Variations in what is available to the District from the nurseries also affect the potential success of the sale; for instance, if there is a crop failure of popular species of plants that the District ordered from the nursery, the District will lose potential revenue from those species not being available for customers to purchase. This makes it challenging to accurately estimate income in advance. The District budgets conservatively so as not to overestimate revenue for this service.
- Investment earnings were budgeted for \$3,000. Actual revenues were \$26,591 (786.4% over budget). This is the result of increasing interest rates for the funds in the Local Government Investment Pool (LGIP) that fluctuate from year to year and are difficult to predict.
- Expenditures for materials and services were budgeted for \$181,580. Actual expenditures were \$123,029 (32.2% under budget). Anticipated requirements in categories such as postage, computer software, newsletters and publications, copier supplies, travel, dues/fees/subscriptions, and invasive species project needs were lower than anticipated.
- Transfers in were budgeted for \$43,338. Actual transfers in were \$26,319 (39.3% under budget). Transfers from the Project Fund to the General Fund are based on expenditure schedules set by staff in coordination with grant parameters instituted by funders. Grant funds are often spent down over several fiscal years with frequent grant extensions slowing expenditures, and therefore decreasing the amount of the transfers.

CAPITAL ASSETS

The District's investment in capital assets for its governmental activities as of June 30, 2023 amounted to \$3,956, net of accumulated depreciation. This investment in capital assets includes furniture and equipment. The total depreciation expense related to the District's investment in capital assets for its governmental activities during the current fiscal year was \$2,284.

Additional information on the District's capital assets can be found in Note III-C on pages 25 through 26 of this report.

BENTON SOIL AND WATER CONSERVATION DISTRICT
Corvallis, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

LONG-TERM LIABILITIES

At the end of the current fiscal year, the District had total long-term liabilities outstanding of \$52,248. This amount is comprised of three leases. The District's total long-term liabilities outstanding increased by \$20,979 during the current fiscal year.

Additional information on the District's long-term liabilities can be found in Note III-F on pages 27 through 28 of this report.

KEY ECONOMIC FACTORS AND BUDGET INFORMATION FOR THE FUTURE

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that could affect its future financial health:

- Healthcare premiums are expected to continue to increase in the coming years.
- A significant portion of the District's revenue outside of the property tax levy is currently derived from grants from the Oregon Watershed Enhancement Board (OWEB). While funders have been highly and increasingly supportive of the District's programs and projects, there is no guarantee this will continue in future years. The District is always investigating avenues to broaden funding support; however, availability of these types of funds may be reduced or eliminated with little notice.

These factors were considered in preparing the District's budget for fiscal year 2023-2024.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be directed to the following address: Benton Soil and Water Conservation District, 136 SW Washington Avenue, Suite 201, Corvallis, Oregon 97333.

BASIC FINANCIAL STATEMENTS

BENTON SOIL AND WATER CONSERVATION DISTRICT
Corvallis, Oregon

STATEMENT OF NET POSITION

June 30, 2023

	Governmental Activities
ASSETS	
Current assets	
Cash and cash equivalents	\$ 946,588
Property taxes receivable	10,348
Grants receivable	58,363
Prepaid expenses	8,418
Total current assets	1,023,717
Restricted assets	
Cash and cash equivalents	47,571
Noncurrent assets	
Right to use leased assets, net of accumulated amortization	51,873
Capital assets, net of accumulated depreciation	3,956
Total noncurrent assets	55,829
Total assets	1,127,117
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	
Current liabilities	
Accounts payable	48,563
Accrued payroll liabilities	22,315
Compensated absences	35,173
Leases payable, current portion	27,153
Total current liabilities	133,204
Noncurrent liabilities	
Leases payable, less current portion	25,095
Total liabilities	158,299
Deferred inflows of resources	
Unearned revenue - grants	56,028
Total liabilities and deferred inflows of resources	214,327
NET POSITION	
Invested in capital assets	3,956
Restricted	10,207
Unrestricted	898,627
Total net position	\$ 912,790

The accompanying notes are an integral part of these financial statements.

BENTON SOIL AND WATER CONSERVATION DISTRICT
Corvallis, Oregon

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u> <u>Revenue and</u> <u>Changes in</u> <u>Net Position</u>	
		<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Capital</u> <u>Grants and</u> <u>Contributions</u>	<u>Governmental</u> <u>Activities</u>
Governmental activities					
Soil and water conservation	\$ 856,577	\$ 21,897	\$ 392,786	\$ -	\$ (441,894)
General revenues					
Property taxes					500,332
Investment earnings					26,591
Miscellaneous					<u>500</u>
Total general revenues					<u>527,423</u>
Change in net position					85,529
Net position - beginning					<u>827,261</u>
Net position - ending					<u>\$ 912,790</u>

The accompanying notes are an integral part of these financial statements.

BENTON SOIL AND WATER CONSERVATION DISTRICT
Corvallis, Oregon

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2023

	General Fund	Project Fund	Building Reserve Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 833,388	\$ 47,571	\$ 113,200	\$ 994,159
Property taxes receivable	10,348	-	-	10,348
Grants receivable	-	58,363	-	58,363
Prepaid expenses	8,418	-	-	8,418
Total assets	<u>\$ 852,154</u>	<u>\$ 105,934</u>	<u>\$ 113,200</u>	<u>\$ 1,071,288</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 8,864	\$ 39,699	\$ -	\$ 48,563
Accrued payroll liabilities	22,315	-	-	22,315
Total liabilities	31,179	39,699	-	70,878
Deferred inflows of resources				
Unavailable revenue - property taxes	9,031	-	-	9,031
Unearned revenue - grants	-	56,028	-	56,028
Total deferred inflows of resources	9,031	56,028	-	65,059
Fund balances				
Nonspendable	8,418	-	-	8,418
Restricted	-	10,207	-	10,207
Committed	80,000	-	-	80,000
Assigned	-	-	113,200	113,200
Unassigned	723,526	-	-	723,526
Total fund balances	811,944	10,207	113,200	935,351
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 852,154</u>	<u>\$ 105,934</u>	<u>\$ 113,200</u>	<u>\$ 1,071,288</u>

The accompanying notes are an integral part of these financial statements.

BENTON SOIL AND WATER CONSERVATION DISTRICT
Corvallis, Oregon

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES

June 30, 2023

Total fund balances		\$ 935,351
Right to use leased assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds:		
Right to use leased assets	65,305	
Accumulated amortization	<u>(13,432)</u>	51,873
Capital assets are not financial resources and are therefore not reported in the governmental funds.		
Cost	25,994	
Accumulated depreciation	<u>(22,038)</u>	3,956
Property tax revenue is recognized in the net position of governmental activities when the taxes are levied; however, in the governmental fund statements, it is recognized when available to be used for current year operations. Taxes not collected within 30 days of the end of the year are not considered available to pay for current year operations and are therefore not reported as revenue in the governmental funds.		9,031
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but rather, is recognized as an expenditure when due. These liabilities consist of:		
Leases payable	(52,248)	
Compensated absences	<u>(35,173)</u>	<u>(87,421)</u>
Net position of governmental activities		<u>\$ 912,790</u>

The accompanying notes are an integral part of these financial statements.

BENTON SOIL AND WATER CONSERVATION DISTRICT
Corvallis, Oregon

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended June 30, 2023

	General Fund	Project Fund	Building Reserve Fund	Total Governmental Funds
REVENUES				
Property taxes	\$ 499,674	\$ -	\$ -	\$ 499,674
Grants	114,461	278,325	-	392,786
Charges for services	21,897	-	-	21,897
Investment earnings	26,591	-	-	26,591
Miscellaneous	500	-	-	500
Total revenues	663,123	278,325	-	941,448
EXPENDITURES				
Current				
Personnel services	457,383	48,279	-	505,662
Materials and services	123,029	203,727	-	326,756
Debt service	75,642	-	-	75,642
Total expenditures	656,054	252,006	-	908,060
Excess (deficiency) of revenues over (under) expenditures	7,069	26,319	-	33,388
OTHER FINANCING SOURCES (USES)				
Lease liabilities issued	47,881	-	-	47,881
Transfers in	26,319	-	5,000	31,319
Transfers out	(5,000)	(26,319)	-	(31,319)
Total other financing sources (uses)	69,200	(26,319)	5,000	47,881
Net change in fund balances	76,269	-	5,000	81,269
Fund balances - beginning	735,675	10,207	108,200	854,082
Fund balances - ending	\$ 811,944	\$ 10,207	\$ 113,200	\$ 935,351

The accompanying notes are an integral part of these financial statements.

BENTON SOIL AND WATER CONSERVATION DISTRICT
Corvallis, Oregon

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2023

Net change in fund balances		\$ 81,269
Amounts reported for governmental activities on the statement of activities are different because:		
Governmental funds report right to use leased assets as expenditures; however, on the statement of activities, the costs of these assets are allocated over the terms of the leases and are reported as amortization expense.		
Disposal of leased assets	(43,684)	
Related accumulated amortization	43,684	
Increase in leased assets	47,881	
Current year amortization	(25,983)	21,898
Governmental funds report capital outlay as expenditures; however, on the statement of activities, the costs of these assets are allocated over their estimated useful lives and reported as depreciation expense.		
Current year depreciation		(2,284)
Long-term lease proceeds are reported as other financing sources in the governmental funds. On the statement of net position, however, issuing long-term lease obligations increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability on the statement of net position.		
Lease liability proceeds	(47,881)	
Lease liability payments	26,902	(20,979)
Some expenses reported on the statement of activities do not require the use of current financial resources and are therefore not reported as expenditures in the governmental funds.		
Compensated absences		4,967
Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. On the statement of activities, property taxes are recognized as revenue when levied.		
Change in unavailable revenue - property taxes		658
Change in net position		\$ 85,529

The accompanying notes are an integral part of these financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

BENTON SOIL AND WATER CONSERVATION DISTRICT
Corvallis, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Benton Soil and Water Conservation District have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental 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 District's accounting policies are described below.

A. Reporting Entity

Benton Soil and Water Conservation District (the District) was created December 28, 1956 as a municipal corporation organized under the provisions of ORS Chapter 568 for the purpose of helping landowners and cooperators design and implement management plans to protect natural resources. Seven elected volunteer directors govern the District; five represent geographic zones in the county, and two fill at-large positions. Other volunteers are appointed to serve as associate directors.

B. 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 all of the activities of the District.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) charges for goods and services provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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 incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

BENTON SOIL AND WATER CONSERVATION DISTRICT
Corvallis, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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 District considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting; however, principal and interest on long-term debt, as well as expenditures related to compensated absences, are recorded only when payment is due.

Property taxes, grants, charges for services, and investment earnings associated with the current fiscal period are all considered to be susceptible to accrual and have therefore been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

General Fund – The General Fund is the District’s primary operating fund. It accounts for all financial resources of the District except for those required to be accounted for in another fund. The primary source of revenue is property taxes.

Special Revenue Fund

Project Fund – The Project Fund was established to account for grants that were awarded for a specific purpose. The primary source of revenue is grants.

Capital Projects Fund

Building Reserve Fund – The Building Reserve Fund was established to account for funds set aside for future acquisitions. The primary source of these funds is transfers from other funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

BENTON SOIL AND WATER CONSERVATION DISTRICT
Corvallis, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Equity

1. 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.

State statutes authorize the District to invest in legally issued general obligations of the United States, the agencies and instrumentalities of the United States and the states of Oregon, Washington, Idaho, or California, certain interest-bearing bonds, time deposit open accounts, certificates of deposit, and savings accounts in banks, mutual savings banks, and savings and loan associations that maintain a head office or a branch in this state in the capacity of a bank, mutual savings bank, or savings and loan association, and share accounts and savings accounts in credit unions in the name of, or for the benefit of, a member of the credit union pursuant to a plan of deferred compensation.

2. Accounts Receivable

The District's management asserts that receivables are fully collectible; therefore, no allowance for doubtful accounts has been recorded.

3. Grant Revenue

Unreimbursed expenditures due from grantor agencies are reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the same time earned or when eligible expenditures are incurred. Grant monies received prior to the incurrence of qualifying expenditures are recorded as unearned revenue on the statement of net position and the balance sheet. Management has determined that all receivables are likely to be received and therefore, no allowance for doubtful accounts has been recorded.

4. Property Taxes

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic remittances of collection to entities levying taxes. Property taxes are levied and become a lien as of July 1 on property values assessed as of June 30. An allowance for doubtful accounts is not deemed necessary, as uncollectible taxes become a lien on the property. Property taxes are payable in three installments, which are due on November 15, February 15, and May 15.

BENTON SOIL AND WATER CONSERVATION DISTRICT
Corvallis, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Equity (Continued)

4. Property Taxes (Continued)

Uncollected property taxes are shown as assets in the governmental funds. Property taxes collected within approximately 30 days of fiscal year-end are recognized as revenue, while the remaining are recorded as unavailable revenue because they are not deemed available to finance operations of the current period.

5. Prepays

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

6. Right to Use Leased Assets

The District has recorded right to use leased assets in accordance with GASB Statement No. 87, *Leases*. The right to use leased assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use leased assets are amortized on a straight-line basis over the terms of the related leases.

7. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost where no historical records exist. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance or repairs that do not add to the value of an asset or materially extend its life are charged to expenditures as incurred and are not capitalized.

Major capital outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Furniture and equipment	3-20

BENTON SOIL AND WATER CONSERVATION DISTRICT
Corvallis, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Equity (Continued)

8. Compensated Absences

Amounts of vested or accumulated vacation leave that are expected to be liquidated with expendable available financial resources are reported as expenditures when paid. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as current liabilities on the statement of net position. In accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

9. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets or fund balance that applies to a future period and therefore, will not be recognized as an outflow of resources until that time.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets or fund balance that applies to a future period and therefore, will not be recognized as an inflow of resources until that time. The District has two items that qualify for reporting in this category, which are unavailable revenue from property taxes and unearned grant revenue. These amounts are deferred and recognized as inflows of resources in the period that the amounts become available. Unavailable revenue from property taxes is reported on the balance sheet. Unearned grant revenue is reported on the government-wide statement of net position and the balance sheet.

10. Fund Equity

The District reports fund equity in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance – amounts that are in nonspendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

BENTON SOIL AND WATER CONSERVATION DISTRICT
Corvallis, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Equity (Continued)

10. Fund Equity (Continued)

- Committed fund balance – amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., board of directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest-level action to remove or change the constraint.
- Assigned fund balance – amounts the District intends to use for a specific purpose. Intent can be expressed by the board of directors or by an official or body to which the board of directors delegates the authority.
- Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

Commitment of fund balance is accomplished through adoption of the budget resolution by the board of directors. Further, commitments of fund balance may be modified or rescinded only through approval of the board of directors via resolution or ordinance. Authority to assign fund balance has been granted to the Treasurer.

The District's minimum fund balance policy specifies that there is no minimum fund balance requirement.

E. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may vary from those estimates.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The District budgets all funds in accordance with the requirements of state law. Annual appropriated budgets are adopted for the general, special revenue, and capital projects funds. All funds are budgeted on the accrual basis of accounting.

BENTON SOIL AND WATER CONSERVATION DISTRICT
Corvallis, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2023

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

The District begins its budgeting process by appointing budget committee members. The budget officer prepares a budget, which is reviewed by the budget committee. The budget is then published in proposed form and is presented at public hearings to obtain taxpayer comments and approval from the budget committee. The budget is legally adopted by the board of directors by resolution prior to the beginning of the District's fiscal year. The board resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total personnel services, materials and services, debt service, capital outlay, and contingency for each fund are the levels of control established by the resolution. The detailed budget document, however, is required to contain more specific detailed information for the aforementioned expenditure categories and management may revise the detailed line-item budgets within appropriation categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution. Supplemental budgets less than 10% of a fund's original budget may be adopted by the board of directors at a regular board meeting. A supplemental budget greater than 10% of a fund's original budget requires hearings before the public, publication in newspapers, and approval by the board of directors. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by the board of directors. During the year, there were no supplemental budgets. The District does not use encumbrances and appropriations lapse at year-end.

Budget amounts shown in the financial statements reflect the original budget amounts and six approved appropriation transfers.

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. Deposits and Investments

Benton Soil and Water Conservation District maintains a cash and cash equivalents pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the fund financial statements as cash and cash equivalents. Interest earned on pooled cash and investments is allocated to participating funds based upon their combined cash and investment balances.

Investments, including amounts held in pooled cash and investments, are stated at fair value. In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, 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 price, 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.

BENTON SOIL AND WATER CONSERVATION DISTRICT
Corvallis, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2023

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

A. Deposits and Investments (Continued)

The Oregon State Treasury administers the LGIP. The LGIP is an open-ended, no-load, diversified portfolio offered to any agency, political subdivision, or public corporation of the state that by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. To provide regulatory oversight, the Oregon Legislature established the Oregon Short-Term Fund Board and LGIP investments are approved by the Oregon Investment Council. The fair value of the District's position in the LGIP is the same as the value of the pool shares.

Credit Risk

Oregon statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' 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 Government Investment Pool. The District has not adopted an investment policy regarding credit risk; however, investments comply with state statutes.

Investments

As of June 30, 2023, the District had the following investments:

	<u>Credit Quality Rating</u>	<u>Maturities</u>	<u>Fair Value</u>
Oregon Local Government Investment Pool	Unrated	-	<u>\$ 859,809</u>

Interest Rate Risk

The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increases in interest rates.

Concentration of Credit Risk

The District does not have a formal policy that places a limit on the amount that may be invested in any one insurer. 100 percent of the District's investments are in the Oregon Local Government Investment Pool.

Custodial Credit Risk – Investments

This is the risk that, in the event of the failure of a counterparty, the District will not be able to recover the value of its investments that are in the possession of an outside party. The District does not have a policy that limits the amount of investments that can be held by counterparties.

BENTON SOIL AND WATER CONSERVATION DISTRICT
Corvallis, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2023

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

A. Deposits and Investments (Continued)

Custodial Credit Risk – Deposits

This is the risk that, in the event of a bank failure, the District’s deposits may not be returned. All District deposits not covered by Federal Depository Insurance Corporation (FDIC) insurance are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon, organized in accordance with ORS 295. The PFCP is a shared liability structure for participating bank depositories. Barring any exceptions, a bank depository is required to pledge collateral valued at a minimum of 10% of their quarter-end public fund deposits if they are considered well capitalized, 25% of their quarter-end public fund deposits if they are considered adequately capitalized, or 110% of their quarter-end public fund deposits if they are considered undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities.

The District holds accounts at Citizens Bank, for which the FDIC provides insurance coverage of \$250,000 for demand deposit accounts and an additional \$250,000 for time and savings accounts. At June 30, 2023, the District’s total deposits of \$149,329 were fully insured by the FDIC.

Deposits

The District’s deposits and investments at June 30, 2023 are as follows:

Checking accounts	\$ 134,350
Total investments	<u>859,809</u>
 Total deposits and investments	 <u>\$ 994,159</u>

Cash and investments by fund:

Governmental activities - unrestricted	
General Fund	\$ 833,388
Building Reserve Fund	<u>113,200</u>
 Total governmental activities - unrestricted	 946,588
Governmental activities - restricted	
Project Fund	<u>47,571</u>
 Total cash and investments	 <u>\$ 994,159</u>

Restricted cash of \$47,571 reported in the Project Fund is for grant payments.

BENTON SOIL AND WATER CONSERVATION DISTRICT
Corvallis, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2023

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

B. Right to Use Leased Assets

The District has recorded right to use leased assets. The related leases are discussed in Note III-F. The right to use leased assets are amortized on a straight-line basis over the terms of the related leases.

Right to use asset activity for the District for the year ended June 30, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Right to use leased assets				
Office space	\$ 43,684	\$ -	\$ 43,684	\$ -
Office space	-	47,881	-	47,881
Storage unit	8,733	-	-	8,733
Copier	<u>8,691</u>	<u>-</u>	<u>-</u>	<u>8,691</u>
Total right to use assets	<u>61,108</u>	<u>47,881</u>	<u>43,684</u>	<u>65,305</u>
Less accumulated amortization for				
Office space	(27,242)	(16,442)	(43,684)	-
Office space	-	(5,919)	-	(5,919)
Storage unit	(1,883)	(1,884)	-	(3,767)
Copier	<u>(2,008)</u>	<u>(1,738)</u>	<u>-</u>	<u>(3,746)</u>
Total accumulated amortization	<u>(31,133)</u>	<u>(25,983)</u>	<u>(43,684)</u>	<u>(13,432)</u>
Total right to use assets being amortized, net	<u>\$ 29,975</u>	<u>\$ 21,898</u>	<u>\$ -</u>	<u>\$ 51,873</u>

Amortization expense was charged to the functions/programs of the District as follows:

Governmental activities	
Soil and water conservation	<u>\$ 25,983</u>

C. Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets being depreciated				
Furniture and equipment	\$ 25,994	\$ -	\$ -	\$ 25,994
Less accumulated depreciation for				
Furniture and equipment	<u>(19,754)</u>	<u>(2,284)</u>	<u>-</u>	<u>(22,038)</u>
Governmental activities capital assets, net	<u>\$ 6,240</u>	<u>\$ (2,284)</u>	<u>\$ -</u>	<u>\$ 3,956</u>

BENTON SOIL AND WATER CONSERVATION DISTRICT
Corvallis, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2023

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

C. Capital Assets (Continued)

Capital assets are reported on the statement of net position as follows:

	Capital Assets	Accumulated Depreciation	Net Capital Assets
Governmental activities			
Furniture and equipment	\$ 25,994	\$ (22,038)	\$ 3,956

Depreciation expense was charged to the functions/programs of the District as follows:

Governmental activities	
Soil and water conservation	\$ 2,284

D. Compensated Absences

Compensated absences are reported on the statement of net position as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Compensated absences	\$ 40,140	\$ -	\$ 4,967	\$ 35,173	\$ 35,173

The General Fund has traditionally been used to liquidate compensated absences liabilities.

E. Interfund Transfers

Operating transfers are reflected as other financing sources (uses) in the governmental funds. Interfund transfers during the year consisted of:

	Transfers in:		
	General Fund	Building Reserve Fund	Total
Transfers out:			
General Fund	\$ -	\$ 5,000	\$ 5,000
Project Fund	26,319	-	26,319
Total	\$ 26,319	\$ 5,000	\$ 31,319

The primary purpose of the interfund transfers in was to provide funds for administrative costs.

**BENTON SOIL AND WATER CONSERVATION DISTRICT
Corvallis, Oregon**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2023

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

F. Long-Term Liabilities

1. Changes in Long-Term Liabilities

The following is a summary of long-term liabilities transactions for the year:

	<u>Interest Rates</u>	<u>Original Amount</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities							
Leases payable							
Office space	3.06%	\$ 17,587	\$ 17,587	\$ -	\$ 17,587	\$ -	\$ -
Office space	3.50%	47,881	-	47,881	5,926	41,955	23,660
Storage unit	3.06%	8,733	6,946	-	1,695	5,251	1,748
Copier	3.06%	<u>8,691</u>	<u>6,736</u>	<u>-</u>	<u>1,694</u>	<u>5,042</u>	<u>1,745</u>
Total governmental activities		<u>\$ 82,892</u>	<u>\$ 31,269</u>	<u>\$ 47,881</u>	<u>\$ 26,902</u>	<u>\$ 52,248</u>	<u>\$ 27,153</u>

2. Office Space Lease

An agreement was executed on April 1, 2021 to lease an office building and required 24 monthly payments of \$2,002.50. The lease liability was measured at an implied discount rate of 3.06%. As of June 30, 2023, the lease had been paid in full.

3. Office Space Lease

An agreement was executed on April 1, 2023 to lease an office building and requires 24 monthly payments of \$2,062.58. The lease liability is measured at an implied discount rate of 3.50%. As a result of the lease, the District has recorded a right to use asset with a net book value of \$41,962 on June 30, 2023. The right to use leased asset is discussed in more detail in Note III-B.

4. Storage Unit Lease

An agreement was executed on June 2, 2021 to lease a storage unit and requires 60 monthly payments of \$156.17. The lease liability is measured at an implied discount rate of 3.06%. As a result of the lease, the District has recorded a right to use asset with a net book value of \$4,966 on June 30, 2023. The right to use leased asset is discussed in more detail in Note III-B.

5. Copier Lease

An agreement was executed on May 4, 2021 to lease a copier and requires 60 monthly payments of \$157. The lease liability is measured at an implied discount rate of 3.06%. As a result of the lease, the District has recorded a right to use asset with a net book value of \$4,945 on June 30, 2023. The right to use leased asset is discussed in more detail in Note III-B.

**BENTON SOIL AND WATER CONSERVATION DISTRICT
Corvallis, Oregon**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2023

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

F. Long-Term Liabilities (Continued)

6. Future Minimum Lease Commitments

Year Ending June 30	Office Space Lease		Storage Unit Lease		Copier Lease		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 23,660	\$ 1,091	\$ 1,748	\$ 136	\$ 1,745	\$ 129	\$ 27,153	\$ 1,356
2025	18,295	268	1,802	82	1,798	76	21,895	426
2026	-	-	1,701	26	1,499	21	3,200	47
Total	<u>\$ 41,955</u>	<u>\$ 1,359</u>	<u>\$ 5,251</u>	<u>\$ 244</u>	<u>\$ 5,042</u>	<u>\$ 226</u>	<u>\$ 52,248</u>	<u>\$ 1,829</u>

G. Constraints on Fund Balances

Constraints on fund balances reported on the balance sheet are as follows:

	General Fund	Project Fund	Building Reserve Fund	Total Governmental Funds
Fund balances:				
Nonspendable - prepaids	\$ 8,418	\$ -	\$ -	\$ 8,418
Restricted for:				
Conservation projects	-	10,207	-	10,207
Committed to:				
Programs	80,000	-	-	80,000
Assigned to:				
Building projects	-	-	113,200	113,200
Unassigned	<u>723,526</u>	<u>-</u>	<u>-</u>	<u>723,526</u>
Total fund balances	<u>\$ 811,944</u>	<u>\$ 10,207</u>	<u>\$ 113,200</u>	<u>\$ 935,351</u>

IV. OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries sufficient commercial insurance. There was no significant reduction in insurance coverage from the previous year. There were no insurance settlements exceeding insurance coverage in any of the past three years.

BENTON SOIL AND WATER CONSERVATION DISTRICT
Corvallis, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2023

IV. OTHER INFORMATION (Continued)

B. Deferred Compensation Plan

The District sponsors a deferred compensation plan (Internal Revenue Code Section 457) for all eligible employees. The plan is entirely funded by voluntary employee contributions. Plan assets are held in trust for the exclusive benefit of the participants and their beneficiaries.

The District has also established a 401(a) plan to match the employee's contributions made to the deferred compensation plan up to 7% of the employee's base wage. Eligibility for the plan is subject to age and vesting requirements.

The contributions during the year ended June 30, 2023 are as follows.

Employee contributions 457 and 401(a)	\$ 32,882
Employer contributions 401(a)	<u>21,130</u>
	<u>\$ 54,012</u>

C. Tax Abatements

The District did not have material tax abatements for the year ended June 30, 2023.

D. New Pronouncements

The Governmental Accounting Standards Board (GASB) has issued the following pronouncements that have future effective dates that will impact future financial presentations. Management has not currently determined what impact implementation of the following statements will have on future financial statements.

GASB Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*, will be effective for the District beginning with its fiscal year ending June 30, 2024. The objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or accessing accountability.

GASB Statement No. 101, *Compensated Absences*, will be effective for the District beginning with its fiscal year ending June 30, 2025. This statement updates the recognition and measurement guidance for compensated absences and amends previously required disclosures.

E. Subsequent Events

Management has evaluated subsequent events through November 16, 2023, which was the date that the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

BENTON SOIL AND WATER CONSERVATION DISTRICT
Corvallis, Oregon

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Variance with Final Budget Over (Under)	Actual GAAP Basis
REVENUES				
Property taxes	\$ 490,000	\$ 490,000	\$ 9,674	\$ 499,674
Grants	92,907	114,462	(1)	114,461
Charges for services	10,000	10,000	11,897	21,897
Investment earnings	3,000	3,000	23,591	26,591
Miscellaneous	2,000	2,500	(2,000)	500
Total revenues	<u>597,907</u>	<u>619,962</u>	<u>43,161</u>	<u>663,123</u>
EXPENDITURES				
Current				
Personnel services	489,714	492,842	(35,459)	457,383
Materials and services	178,500	181,580	(58,551)	123,029
Debt service	-	75,642	-	75,642
Capital outlay	5,000	5,000	(5,000)	-
Contingency	84,973	84,973	(84,973)	-
Total expenditures	<u>758,187</u>	<u>840,037</u>	<u>(183,983)</u>	<u>656,054</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(160,280)</u>	<u>(220,075)</u>	<u>227,144</u>	<u>7,069</u>
OTHER FINANCING SOURCES (USES)				
Lease liabilities issued	-	47,881	-	47,881
Transfers in	31,424	43,338	(17,019)	26,319
Transfers out	(5,000)	(5,000)	-	(5,000)
Total other financing sources (uses)	<u>26,424</u>	<u>86,219</u>	<u>(17,019)</u>	<u>69,200</u>
Net change in fund balance	(133,856)	(133,856)	210,125	76,269
Fund balance - beginning	<u>697,346</u>	<u>697,346</u>	<u>38,329</u>	<u>735,675</u>
Fund balance - ending	<u>\$ 563,490</u>	<u>\$ 563,490</u>	<u>\$ 248,454</u>	<u>\$ 811,944</u>

BENTON SOIL AND WATER CONSERVATION DISTRICT
Corvallis, Oregon

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL

PROJECT FUND

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Variance with Final Budget Over (Under)	Actual GAAP Basis
REVENUES				
Grants	\$ 330,192	\$ 461,234	\$ (182,909)	\$ 278,325
EXPENDITURES				
Current				
Personnel services	45,912	60,072	(11,793)	48,279
Materials and services	252,856	357,824	(154,097)	203,727
Total expenditures	298,768	417,896	(165,890)	252,006
Excess (deficiency) of revenues over (under) expenditures	31,424	43,338	(17,019)	26,319
OTHER FINANCING SOURCES (USES)				
Transfers out	(31,424)	(43,338)	(17,019)	(26,319)
Net change in fund balance	-	-	-	-
Fund balance - beginning	-	-	10,207	10,207
Fund balance - ending	\$ -	\$ -	\$ 10,207	\$ 10,207

OTHER SUPPLEMENTARY INFORMATION

INDIVIDUAL FUND SCHEDULES

BENTON SOIL AND WATER CONSERVATION DISTRICT
Corvallis, Oregon

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL

BUILDING RESERVE FUND

For the Year Ended June 30, 2023

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual GAAP Basis
REVENUES	\$ -	\$ -	\$ -
EXPENDITURES	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-
OTHER FINANCING SOURCES (USES)			
Transfers in	5,000	-	5,000
Net change in fund balance	5,000	-	5,000
Fund balance - beginning	108,200	-	108,200
Fund balance - ending	\$ 113,200	\$ -	\$ 113,200

OTHER FINANCIAL SCHEDULES

BENTON SOIL AND WATER CONSERVATION DISTRICT
Corvallis, Oregon

SCHEDULE OF PROPERTY TAX TRANSACTIONS

For the Year Ended June 30, 2023

Tax Year	Taxes Receivable July 1, 2022	2022-2023 Levy	Adjustments	Collections	Taxes Receivable June 30, 2023
2022-2023	\$ -	\$ 515,674	\$ (14,688)	\$ 494,915	\$ 6,071
2021-2022	5,658	-	(106)	3,458	2,094
2020-2021	2,122	-	(71)	743	1,308
2019-2020	1,075	-	(48)	453	574
2018-2019	430	-	(19)	252	159
2017-2018	106	-	(6)	11	89
2016-2017	25	-	-	7	18
Prior	66	-	-	31	35
Subtotal - Prior	9,482	-	(250)	4,955	4,277
Total	\$ 9,482	\$ 515,674	\$ (14,938)	499,870	\$ 10,348
Add:					
Other taxes and interest				(196)	
Undistributed taxes with county, July 1, 2022				-	
Total available				499,674	
Less: Turnovers to District					
				(499,674)	
Undistributed taxes with county, June 30, 2023				\$ -	

**AUDIT COMMENTS AND DISCLOSURES REQUIRED BY
STATE REGULATIONS**

KOONTZ, BLASQUEZ
ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS**

Board of Directors
Benton Soil and Water Conservation District
Corvallis, Oregon 97333

We have audited the basic financial statements of Benton Soil and Water Conservation District as of and for the year ended June 30, 2023, and have issued our report thereon dated November 16, 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 Benton 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 162-010-0000 through 162-010-0320 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 statement 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:

Accounting records

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)

Accountability for collecting or receiving money by elected officials

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 162-010-0000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

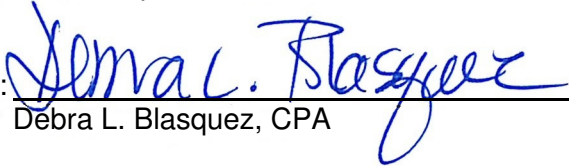
The District does not have any officials collecting or receiving money.

OAR 162-010-0230 Internal Control

In planning and performing our audit, we considered Benton Soil and Water Conservation District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Benton Soil and Water Conservation District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Benton Soil and Water Conservation District's internal control over financial reporting. However, we noted certain matters that we have reported to management of the District in a separate letter dated November 16, 2023.

This report is intended solely for the information and use of the board of directors and management of Benton 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.

Koontz, Blasquez & Associates, P.C.

By: 
Debra L. Blasquez, CPA

Albany, Oregon
November 16, 2023