

**COLUMBIA RESOURCE
CONSERVATION DISTRICT**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS
for the year ended December 31, 2020**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Columbia Resource Conservation District

We have audited the accompanying financial statements of the governmental activities, and fiduciary fund of the Columbia Resource Conservation District as of and for the year ended December 31, 2020, which collectively comprise the District's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and fiduciary fund of the Columbia Resource Conservation District as of and for the year ended December 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other-Matters

The District has not presented management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of the financial statements.

Cuttone & Mastro

Fresno, California
February 3, 2021

COLUMBIA RESOURCE CONSERVATION DISTRICT
Statement of Net Position and
Governmental Fund Balance Sheet
December 31, 2020

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<u>ASSETS</u>			
Cash	\$ <u>344</u>		\$ <u>344</u>
Total assets	<u>344</u>		<u>344</u>
<u>LIABILITIES</u>			
Payable to Columbia Canal Company	<u>2,412</u>		<u>2,412</u>
Total liabilities	<u>2,412</u>		<u>2,412</u>
<u>FUND BALANCES/NET POSITION</u>			
Fund balance:			
Unreserved fund balance (deficit)	(2,068)		
Total fund balance (deficit)	\$ (2,068)		
Net position:			
Unrestricted			(2,068)
Total net position			\$ (2,068)

The accompanying notes are an integral part of this financial statement

COLUMBIA RESOURCE CONSERVATION DISTRICT
Statement of Activities and Government Fund Statement of
Revenues, Expenditures and Changes in Fund Balances
for the year ended December 31, 2020

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues:			
Interest	\$ 3		\$ 3
Other	<u>326</u>		<u>326</u>
Total Revenue	<u>329</u>		<u>329</u>
 Expenditures:			
Licenses and Permits	547		547
Dues and subscriptions	<u>1,656</u>		<u>1,656</u>
Total Expenditures	<u>2,203</u>		<u>2,203</u>
 Excess revenue over (under) expenditures	 (1,874)		
 Change in net position			 (1,874)
 Fund balance (deficit)/net position:			
Beginning of year	<u>(194)</u>		<u>(194)</u>
End of year	\$ <u>(2,068)</u>		\$ <u>(2,068)</u>

The accompanying notes are an integral part of this financial statement.

COLUMBIA RESOURCE CONSERVATION DISTRICT
Statement of Fiduciary Net Position
December 31, 2020

ASSETS	
Cash	\$ 178,340
Accounts receivable - USBR	<u>27,873</u>
Total assets	<u>206,213</u>
LIABILITIES	
Accounts payable	579
Accounts payable, Columbia Canal Company	<u>205,634</u>
Total liabilities	<u>206,213</u>
NET POSITION	
Net Position	\$ <u> -</u>

The accompanying notes are an integral part of this financial statement.

COLUMBIA RESOURCE CONSERVATION DISTRICT
Statement of Changes in Fiduciary Net Position
December 31, 2020

ADDITIONS

Cooperative agreement	\$ <u>305,037</u>
Total additions	<u>305,037</u>

DEDUCTIONS

Contract labor	\$ 165,031
MLT maintenance	50,025
Automobile	6,473
Dues and subscription	168
Fuel and oil	2,646
Hydrography	3,529
Equipment rent	1,767
Maintenance	20,825
Materials and supplies	1,733
Professional fees	13,649
Pump operations	12,395
Telephone	962
Utilities	19,129
Safety training	<u>6,705</u>
Total deductions	\$ <u>305,037</u>
Change in net position	-
Net position:	
Beginning of year	<u>-</u>
End of year	\$ <u><u>-</u></u>

The accompanying notes are an integral part of this financial statement.

COLUMBIA RESOURCE CONSERVATION DISTRICT
Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Columbia Resource Conservation District (the District) was formed in 1958. The District is a local organization, but is recognized as a subdivision of the State Government. The District aims are to aid and coordinate the activities of agencies and cooperators in soil and water conservation. This assistance can be obtained from federal, state, county and local agencies in all phases of soil protection and improvement, agricultural drainage, irrigation planning and prevention of water waste.

The District has entered into a contract with the United States Department of the Interior Bureau of Reclamation (USBR) to assume responsibility for care, operation, and maintenance of the Columbia and Mowry Pumping Plants and related delivery systems.

A. Government-wide and fund financial statements:

The District is a special-purpose government agency engaged in a single governmental program, the fund financial statements and the government-wide statements are combined. The government wide financial statements include the statement of net position and the statement of activities and report information on all of the nonfiduciary activities of the government.

B. 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 a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized 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 sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Since the cooperative agreement required expenditures to be made before the District is entitled to retain the funds, revenue is recorded based upon the expenditures under the agreement.

C. Description of Funds:

The accounts of the District are organized by using a General Fund and Fiduciary Fund, each of which is considered a separate accounting entity. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise their assets, liabilities, fund equity, revenues, and expenditures.

General Fund - is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in the Fiduciary Fund.

COLUMBIA RESOURCE CONSERVATION DISTRICT
Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

C. Description of Funds, continued:

Fiduciary Fund - The Fiduciary Fund accounts for receipts and disbursements of the funds received from the United States Bureau of Reclamation (USBR) for the purpose of operating and maintaining the Columbia and Mowry Pumping Plants and their related delivery systems. The District serves as trustee for these funds.

D. Capital Assets

Capital assets generally result from expenditures in the fiduciary fund.

All capital assets are capitalized at cost and updated for additions and retirements during the year. The District maintains a capitalization threshold of \$1,500. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the assets or materially extend the asset's life are not.

Trucks and equipment of the District are depreciated using the straight-line method over estimated useful life of 5 years.

E. Budget and Budgetary Accounting:

A budget for the Fiduciary Fund is adopted by the Board of Directors on a basis consistent with generally accepted accounting principles. The budget is generally for the cooperative agreement performance periods of October through September. The budget is submitted to the U.S. Department of Interior Bureau of Reclamation (USBR). No budget is prepared for the General Fund.

F. Use of Estimates:

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

2. CASH:

The District's cash on deposit with United Security Bank is entirely insured by Federal Depository Insurance. Statutes authorize the District to invest in U.S. Treasury and registered state warrants, notes, bonds, bills or certificates, commercial paper, repurchase agreements and other similar instruments. Cash is also maintained with Madera County.

The following is a summary of cash balances:

United Security Bank	\$ 178,340
Madera County	<u>344</u>
	\$ <u>178,684</u>

COLUMBIA RESOURCE CONSERVATION DISTRICT
Notes to Financial Statements

3. CAPITAL FIXED ASSETS:

The District uses equipment owned by the USBR. Title to the equipment remains with the USBR.

4. CONTRACT WITH USBR:

The District entered into a contract with the United States Bureau of Reclamation (USBR) for the care, operation and maintenance of the Columbia and Mowry Systems. Extensions of the original contract have been granted over the years. The contract with the USBR was amended, effective February 2019, to include in the contract the additional work to be performed on the Mitigation Lands Trust (MLT) properties and increased the award amounts for years 3, 4, and 5.

On April 1, 2016, the District was awarded a 5-year contract with a total contract award of \$1,576,701. The award amount for year 5, which covers the period of April 1, 2020 to March 31, 2021, is \$346,536.

5. RELATED PARTY TRANSACTIONS:

The District is related to Columbia Canal Company through common management. During the year ended December 31, 2020, the District paid Columbia Canal Company \$231,648 which is reported as expenditures.