

**COLUMBIA RESOURCE
CONSERVATION DISTRICT**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS
for the year ended December 31, 2022**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Columbia Resource Conservation District:

Opinion

We have audited the accompanying financial statements of the governmental activities, and fiduciary fund of the Columbia Resource Conservation District (the District) as of and for the year ended December 31, 2022, which collectively comprise the District's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

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 December 31, 2022, 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.

Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 the District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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 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 the District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility

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 opinion. 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 circumstances, but not for the purpose of expressing an opinion on the effectiveness of Columbia Resource Conservation District's internal control. According, 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 judgement, 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.

Other-Matters

Required Supplementary Information

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 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. Our opinion on the basic financial statements is not affected by this missing information.



February 21, 2023
Fresno, California

COLUMBIA RESOURCE CONSERVATION DISTRICT
Statement of Net Position and
Governmental Fund Balance Sheet
December 31, 2022

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<u>ASSETS</u>			
Cash	\$ <u>347</u>		\$ <u>347</u>
Total assets	<u>347</u>		<u>347</u>
<u>LIABILITIES</u>			
Payable to Columbia Canal Company	<u>3,738</u>		<u>3,738</u>
Total liabilities	<u>3,738</u>		<u>3,738</u>
<u>FUND BALANCES/NET POSITION</u>			
Fund balance:			
Unreserved fund balance (deficit)	(3,391)		
Total fund balance (deficit)	\$ (3,391)		
Net position:			
Unrestricted			(3,391)
Total net position			\$ (3,391)

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, 2022

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues:			
Interest	\$ <u>2</u>		\$ <u>2</u>
Total Revenue	<u>2</u>		<u>2</u>
Expenditures:			
Licenses and Permits	644		644
Dues and subscriptions	<u>345</u>		<u>344</u>
Total Expenditures	<u>989</u>		<u>989</u>
Excess revenue over (under) expenditures	(987)		
Change in net position			(987)
Fund balance (deficit)/net position:			
Beginning of year	(2,404)		(2,404)
End of year	\$ <u>(3,391)</u>		\$ <u>(3,391)</u>

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

COLUMBIA RESOURCE CONSERVATION DISTRICT
Statement of Fiduciary Net Position
December 31, 2022

ASSETS	
Cash	\$ 463,195
Accounts receivable - USBR	<u>53,584</u>
Total assets	<u>516,779</u>
LIABILITIES	
Accounts payable	3,519
Accounts payable, Columbia Canal Company	<u>513,260</u>
Total liabilities	<u>516,779</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, 2022

ADDITIONS

Cooperative agreement	\$ <u>382,776</u>
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DEDUCTIONS

Contract labor	210,774
MLT maintenance	82,681
Dues and Subscriptions	100
Fuel and oil	3,322
Hydrography	1,053
Equipment rent	6,931
Maintenance	11,998
Materials and supplies	9,474
Professional fees	3,925
Pump operations	43,893
Telephone	589
Utilities	745
Safety training	<u>7,291</u>

Total deductions	<u>382,776</u>
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Change in net position	-
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Net position:

Beginning of year	<u>-</u>
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End of year	<u>\$ -</u>
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The accompanying notes are an integral part of this financial statement.

COLUMBIA RESOURCE CONSERVATION DISTRICT
Notes to Financial Statements
December 31, 2022

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.

Fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of 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.

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.

COLUMBIA RESOURCE CONSERVATION DISTRICT
Notes to Financial Statements
December 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

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 live of 5 years. The District uses equipment owned by the USBR. Title to the equipment remains with the USBR.

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:

At December 31, 2022, the cash balances consisted of the following:

United Security Bank	\$ 463,195
Madera County	<u>347</u>
	<u>\$ 463,542</u>

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Cash balances held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC) and are collateralized by the respective financial institution. As of December 31, 2022, the Districts has a cash balance of \$213,195 in excess of insured limits provided by the FDIC.

The California Government Code requires that a financial institution, secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Authority deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Custodial credit risk does not apply to local government's indirect investment in securities through the use of government investment pools (such as Madera County)

COLUMBIA RESOURCE CONSERVATION DISTRICT
Notes to Financial Statements
December 31, 2022

3. 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. On June 1, 2021, the District was awarded a new 5-year contract with the USBR, which operates from June 1, 2021 through May 31, 2026 with a total contract award of \$2,581,075.

4. RELATED PARTY TRANSACTIONS:

The District is related to Columbia Canal Company through common management. During the year ended December 31, 2021, the District paid Columbia Canal Company \$305,279 which is reported as expenditures.