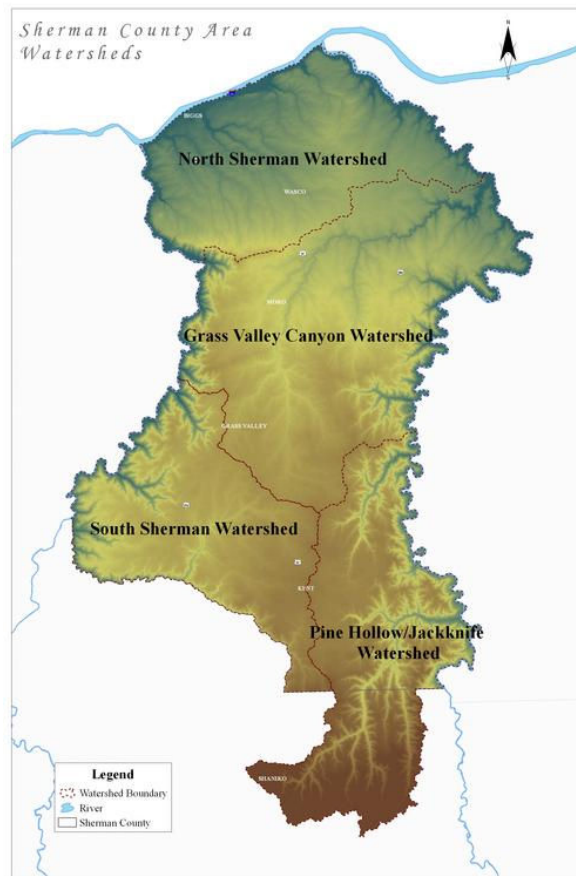


SHERMAN COUNTY SOIL AND WATER  
CONSERVATION DISTRICT

**ANNUAL FINANCIAL REPORT**

For the Year Ended June 30, 2025





SHERMAN COUNTY SOIL AND WATER CONSERVATION DISTRICT  
Moro, Oregon  
**BOARD OF DIRECTORS AND OFFICIALS**  
June 30, 2025

BOARD OF DIRECTORS

<u>NAME</u>	<u>ADDRESS</u>	<u>POSITION</u>
Jesse Stutzman	PO Box 116 Wasco, OR 97065	Board Chair
Nick von Borstel	57513 von Borstel Rd Grass Valley, OR 97029	Secretary
Brian Simantel	PO Box 313 Wasco, OR 97065	Treasurer
Josh Hilderbrand	PO Box 2 Wasco, OR 97065	Vice Chair
Ryan Thompson	66974 Fairview Rd Moro, OR 97039	Member

ADMINISTRATIVE STAFF

Amanda Whitman		District Manager/ Registered Agent
Marylou Martin		Office Assistant
	PO Box 405 2004 First Street Moro, OR 97039	



SHERMAN COUNTY SOIL AND WATER CONSERVATION DISTRICT  
Moro, Oregon  
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June 30, 2025

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*Mitch T. Saul, CPA  
Amy K. Walker, CPA  
Harmony S. Piazza, CPA  
Anna K. Bass*

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*Robert M. Armstrong, CPA*

## **INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

Board of Directors  
Sherman County Soil and Water Conservation District  
Moro, Oregon

Management is responsible for the accompanying financial statements of the governmental activities and each major fund of the Sherman County Soil and Water Conservation District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements in accordance with the accounting principles generally accepted in the United States of America (GAAP). Management is also responsible for determining that GAAP is an appropriate financial reporting framework for the District.

We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services (SSARS) promulgated by the Accounting and Review Services Committee of the AICPA. Our responsibility is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements. We did not audit or review the financial statements, nor were we required to perform any procedures to verify the accuracy, or the completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 2 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

The required supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the required supplementary information, and accordingly, we do not express an opinion, a conclusion, or provide any assurance on it.

The accompanying supplementary information, consisting of the budgetary comparison schedules and combining schedules, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. We have compiled this supplementary information in accordance with SSARS; however, we have not audited or reviewed it and we do not express an opinion, a conclusion, or provide any assurance on it.

A handwritten signature in black ink, appearing to read "Harmony Piazza".

Harmony Piazza, CPA  
For Solutions, CPAs PC  
John Day, Oregon  
October 28, 2025

SHERMAN COUNTY SOIL AND WATER CONSERVATION DISTRICT  
Moro, Oregon  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2025

As management of the Sherman County Soil and Water Conservation District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with the financial statements.

#### FINANCIAL HIGHLIGHTS

- In the government-wide statements, the assets of the District exceeded its liabilities as of June 30, 2025 by \$2,316,635. Of this amount, \$60,473 represents the District's net investment in capital assets, \$122,050 is restricted for special programs, and the balance of \$2,134,112 is unrestricted and available to meet the District's ongoing obligations to citizens and creditors.
- The District's total net position increased by \$202,568 primarily due to revenues in excess of expenditures.
- The District recognized \$187,001 of operating grant revenue, representing 31% of total revenue, and \$335,523 of property tax revenue, representing 55% of total revenue.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of two components: 1) government-wide financial statements and 2) notes to basic financial statements.

#### **Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. These statements include:

**The Statement of Net Position:** The Statement of Net Position presents information on all of the assets and liabilities of the District at year end. Net position is what remains after the liabilities have been paid or otherwise satisfied. 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:** The Statement of Activities presents information showing how the net position of the District changed over the year by tracking revenues, expenses and other transactions that increase or reduce net position. 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 only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

In the government-wide financial statements, the District's activities are shown in one category:

**Governmental activities:** The District's activities are presented as governmental activities. These activities are primarily financed through intergovernmental revenue supplemented by charges for services and products.

The government-wide financial statements can be found on pages 8 through 9 of this report.

**Fund Financial Statements:** The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated

SHERMAN COUNTY SOIL AND WATER CONSERVATION DISTRICT  
Moro, Oregon  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2025

for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into one category: governmental funds.

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

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 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 government's near-term financing decisions. Both the governmental funds Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are reconciled to the government-wide Statements of Net Position and Statement of Activities.

The District maintains two individual governmental budgetary funds. Information is presented separately in the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund and the Watershed Improvement Fund, which are considered to be major funds.

The basic governmental fund financial statements can be found on pages 10 through 13 of this report.

**Notes to Basic Financial Statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 14 through 20 of this report.

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$2,316,635 at June 30, 2025, an increase of \$202,568 from the previous year.

Capital assets, which consist of the District's vehicles, and equipment, represent 2.6% percent of total assets. The remaining assets consist of cash and receivables.

The District's liabilities consist of accounts payable, accrued liabilities, and compensated absences.

**Governmental Activities:** During the current fiscal year, the District's net position increased by \$202,568 compared to \$262,087 from the prior year. The key elements of the change in the District's net position for the year ended June 30, 2025 are as follows:

- Increase in general revenues of \$17,395.
- Increase in operating expenses of \$153,841.

SHERMAN COUNTY SOIL AND WATER CONSERVATION DISTRICT  
Moro, Oregon

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the Year Ended June 30, 2025

**Net Position at June 30, 2025**

	Governmental Activities	
	June 30, 2025	June 30, 2024
Current and other assets	\$ 2,270,365	\$ 2,114,187
Capital assets	60,473	9,039
Total assets	2,330,838	2,123,226
Current liabilities	14,203	9,159
Total liabilities	14,203	9,159
Net position:		
Invested in capital assets	60,473	9,039
Restricted	122,050	132,843
Unrestricted	2,134,112	1,972,185
Total net position	\$ 2,316,635	\$ 2,114,067

**Changes in Net Position  
For the year ended June 30, 2025**

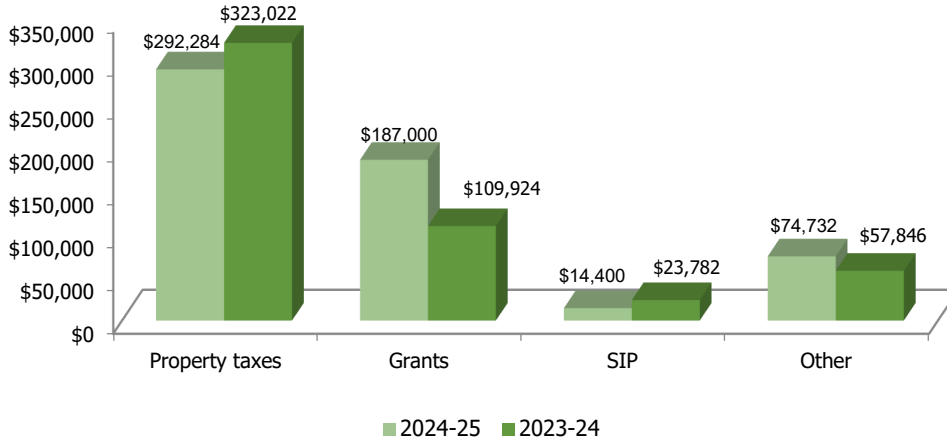
	Governmental Activities	
	June 30, 2025	June 30, 2024
<b>Revenues</b>		
Property taxes	\$ 335,523	\$ 325,633
Operating grants	187,001	109,924
SIP in lieu of taxes	14,400	23,782
Other	74,732	57,845
Total revenues	611,656	517,184
<b>Expenses</b>		
Watershed improvement	409,088	255,247
Total expenses	409,088	255,247
Increase in net position	202,568	261,937
Beginning net position	2,114,067	1,852,130
Ending net position	\$ 2,316,635	\$ 2,114,067

FINANCIAL ANALYSIS OF THE DISTRICT'S FUND

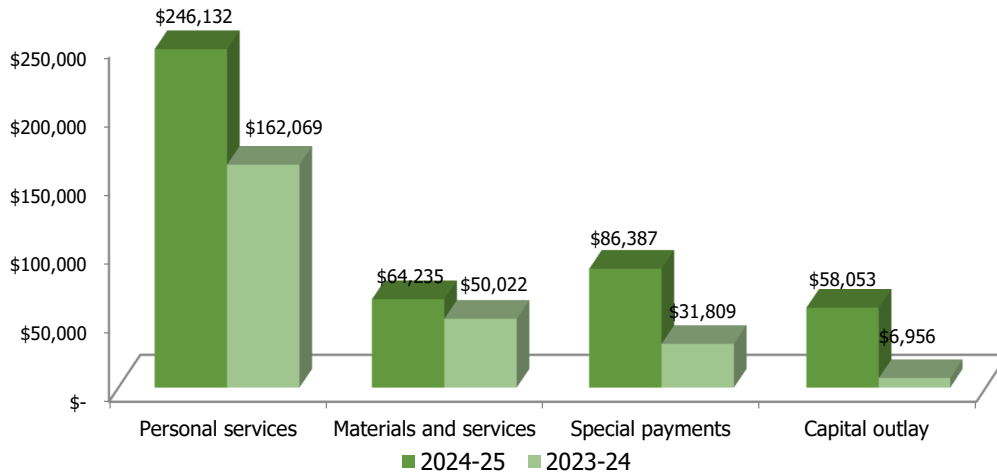
At June 30, 2025, the District's General Fund reported an ending fund balance of \$2,095,019, an increase of \$124,402 from the beginning of the year. Of this fund balance, \$1,576,532 is unassigned, which is available for spending at the District's discretion and \$518,487 is assigned for the reserve fund.

SHERMAN COUNTY SOIL AND WATER CONSERVATION DISTRICT  
Moro, Oregon  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2025

**Revenue by Function - All Funds**



**Expenditures by Function - All Funds**



**GENERAL FUND BUDGETARY HIGHLIGHTS**

During the year the General Fund expenditures were under budget by \$345,604. Revenues received from property taxes, grants, and miscellaneous receipts were \$57,839 more than anticipated.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets:** The District's investment in capital assets includes vehicles and equipment. As of June 30, 2025, the District had invested \$60,473 in capital assets, net of accumulated depreciation.

During the year, the District's investment in capital assets increased by \$51,434, net of depreciation. The increase is the result of capital purchases of \$59,262 and depreciation costs of \$7,828. Additional information on the District's capital assets can be found in note 3 on page 20 of this report.

SHERMAN COUNTY SOIL AND WATER CONSERVATION DISTRICT  
Moro, Oregon

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the Year Ended June 30, 2025

**Long-Term Debt:** The District does not have any debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The budget for the 2025-26 fiscal year has total appropriations of \$1,299,447 as compared to the 2024-25 fiscal year of \$1,079,315. This increase can be attributed to expected changes in grant funding.

REQUESTS FOR INFORMATION

This financial report is designed to present the user (citizens, taxpayers, investors, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning any of the information provided in this report or requests for additional information can be obtained by calling the District's business office at (541) 565-3216 or by sending a written request to: Sherman County Soil and Water Conservation District, Business Office; PO Box 405; Moro, OR 97039.

## BASIC FINANCIAL STATEMENTS

SHERMAN COUNTY SOIL AND WATER CONSERVATION DISTRICT  
Moro, Oregon  
**STATEMENT OF NET POSITION**  
June 30, 2025  
(With Comparative Totals for 2024)

	Governmental Activities	
	June 30, 2025	June 30, 2024
<b>ASSETS</b>		
Cash with depositories	\$ 2,208,079	\$ 2,102,038
Property taxes receivable	48,904	5,664
Grants receivable	13,382	6,485
Capital assets, net of accumulated depreciation		
Equipment	60,473	9,039
Total capital assets	60,473	9,039
Total assets	2,330,838	2,123,226
<b>LIABILITIES</b>		
Accounts payable	1,425	374
Accrued liabilities	2,967	4,689
Accrued compensated absences	9,811	4,096
Total liabilities	14,203	9,159
<b>NET POSITION</b>		
Net investment in capital assets	60,473	9,039
Restricted for special programs	122,050	132,843
Unrestricted	2,134,112	1,972,185
Total net position	\$ 2,316,635	\$ 2,114,067

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

SHERMAN COUNTY SOIL AND WATER CONSERVATION DISTRICT

Moro, Oregon

**STATEMENT OF ACTIVITIES**

For the Year Ended

June 30, 2025

(With Comparable Totals for 2024)

Functions	<u>Expenses</u>	<u>Program Revenues Operating Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>	
			<u>June 30, 2025</u>	<u>June 30, 2024</u>
Governmental activities				
Watershed improvement	<u>\$ 409,088</u>	<u>\$ 187,001</u>	<u>\$ (222,087)</u>	<u>\$ (145,323)</u>
Total governmental activities	<u>\$ 409,088</u>	<u>\$ 187,001</u>	<u>(222,087)</u>	<u>(145,323)</u>
General revenues				
Property taxes			335,523	325,633
SIP in lieu of taxes			14,400	23,782
Interest income			58,264	50,275
Other income			<u>16,468</u>	<u>7,570</u>
Total general revenues			<u>424,655</u>	<u>407,260</u>
Changes in net position			202,568	261,937
Net position - beginning			<u>2,114,067</u>	<u>1,852,130</u>
Net position - ending			<u>\$ 2,316,635</u>	<u>\$ 2,114,067</u>

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

SHERMAN COUNTY SOIL AND WATER CONSERVATION DISTRICT  
Moro, Oregon  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
June 30, 2025  
(With Comparable Totals for 2024)

	General Fund	Watershed Improvement Fund	Total	
			June 30, 2025	June 30, 2024
<b>ASSETS</b>				
Cash and investments	\$ 2,099,411	\$ 108,668	\$ 2,208,079	\$ 2,102,038
Grants receivable	-	13,382	13,382	6,485
Property taxes receivable	48,904	-	48,904	5,664
<b>Total assets</b>	<b>\$ 2,148,315</b>	<b>\$ 122,050</b>	<b>\$ 2,270,365</b>	<b>\$ 2,114,187</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>				
<b>Liabilities</b>				
Accounts payable	\$ 1,425	\$ -	\$ 1,425	\$ 374
Accrued liabilities	2,967	-	2,967	4,689
<b>Total liabilities</b>	<b>4,392</b>	<b>0</b>	<b>4,392</b>	<b>5,063</b>
<b>Deferred inflows of resources</b>				
Unavailable property tax revenue	48,904	-	48,904	5,664
<b>Total deferred inflows of resources</b>	<b>48,904</b>	<b>0</b>	<b>48,904</b>	<b>5,664</b>
<b>Fund balance</b>				
Restricted	-	122,050	122,050	132,843
Assigned	518,487	-	518,487	523,987
Unassigned	1,576,532	-	1,576,532	1,446,630
<b>Total fund balance</b>	<b>2,095,019</b>	<b>122,050</b>	<b>2,217,069</b>	<b>2,103,460</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$ 2,148,315</b>	<b>\$ 122,050</b>	<b>\$ 2,270,365</b>	<b>\$ 2,114,187</b>

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

SHERMAN COUNTY SOIL AND WATER CONSERVATION DISTRICT  
Moro, Oregon  
**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
TO STATEMENT OF NET POSITION**  
June 30, 2025

<b>Total Fund Balances</b>		\$ 2,217,069
Capital assets are not financial resources and therefore are not reported in the governmental funds:		
Cost	\$ 111,824	
Accumulated depreciation	<u>(51,351)</u>	60,473
 A portion of the district's property taxes are collected after year-end but are not available soon enough to pay for the current year's operations, and therefore are not reported as revenue in the governmental funds.		 48,904
 Long-term liabilities applicable to the district's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Compensated absences are not accrued in governmental funds, but rather are recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the Statement of Net Position.		 <u>(9,811)</u>
<b>Total Net Position</b>		<u><u>\$ 2,316,635</u></u>

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

SHERMAN COUNTY SOIL AND WATER CONSERVATION DISTRICT  
Moro, Oregon  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
For the year ended  
June 30, 2025  
(With Comparable Totals for 2024)

	General Fund	Watershed Improvement Fund	Total	
			June 30, 2025	June 30, 2024
Revenues				
Operating grants	\$ 33,690	\$ 153,310	\$ 187,000	\$ 109,924
Property taxes	292,284	-	292,284	323,022
SIP in lieu of taxes	14,400	-	14,400	23,782
Other income	16,393	75	16,468	7,571
Interest income	58,264	-	58,264	50,275
Total revenues	<u>415,031</u>	<u>153,385</u>	<u>568,416</u>	<u>514,574</u>
Expenditures				
Current				
Personal services	117,991	128,141	246,132	162,069
Materials and services	40,197	24,038	64,235	50,022
Special payments	74,888	11,499	86,387	31,809
Capital outlay	57,553	500	58,053	6,956
Total expenditures	<u>290,629</u>	<u>164,178</u>	<u>454,807</u>	<u>250,856</u>
Excess of revenues over (under) expenditures and net change in fund balance	124,402	(10,793)	113,609	263,718
Fund balance at beginning of year	<u>1,970,617</u>	<u>132,843</u>	<u>2,103,460</u>	<u>1,839,742</u>
Fund balance at end of year - by category				
Restricted	-	122,050	122,050	132,843
Assigned	518,487	-	518,487	523,987
Unassigned	1,576,532	-	1,576,532	1,446,630
Fund balance at end of year - Total	<u>\$ 2,095,019</u>	<u>\$ 122,050</u>	<u>\$ 2,217,069</u>	<u>\$ 2,103,460</u>

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

SHERMAN COUNTY SOIL AND WATER CONSERVATION DISTRICT  
Moro, Oregon  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES**  
For the Year Ended  
June 30, 2025

**Net Change in Fund Balance** \$ 113,609

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay.

Expenditures for capital assets	\$ 59,262	
Less current year depreciation	<u>(7,828)</u>	51,434

Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the Statement of Activities property taxes are recognized as revenue when levied. 43,239

Governmental funds report the effect of accrued compensated absences when paid. In the Statement of Activities, however, compensated absences are recognized when accrued. The change in compensated absences is recognized as an expense on the Statement of Activities. (5,714)

**Change in Net Position** \$ 202,568

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

SHERMAN COUNTY SOIL AND WATER CONSERVATION DISTRICT  
Moro, Oregon  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2025

Note 1. Significant Accounting Policies

The Sherman County Soil and Water Conservation District (the District) is organized under the general laws of the State of Oregon to promote conservation techniques to sustain and restore the soil and local watershed areas. The administration of the District is vested in an elected five-member board of directors.

The District's annual financial report includes the accounts of all District operations. The following summary of significant accounting policies is presented to assist the reader in evaluating the District's financial statements.

A. The Reporting Entity

The District is a political subdivision of the state of Oregon. It is governed by an elected five-member board of directors. These financial statements present all the funds of the District.

In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth in generally accepted accounting principles. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibilities include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. The District currently has no component units that should be included in the reporting entity.

B. Basis of Presentation

**Government-wide Financial Statements**

The Statement of Net Position and the Statement of Activities display information about the District. These statements include the governmental financial activities of the overall District. Eliminations have been made to minimize the double counting of internal activities. Governmental activities are financed primarily through property taxes and operating grants.

The Statement of Activities presents a comparison between direct expenses and program revenues for each of its functions/programs. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to that function. Eliminations have been made to minimize the double counting of internal activities in the Statement of Activities. Program revenues are operating grants. Revenues that are not classified as program revenues are classified as general revenues, including property taxes and interest.

SHERMAN COUNTY SOIL AND WATER CONSERVATION DISTRICT  
Moro, Oregon  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2025

Net position is reported as restricted when constraints placed on net position use are either externally restricted, imposed by creditors (such as through grantors, contributors, or laws) or through constitutional provisions or enabling resolutions.

**Fund Financial Statements**

The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The District reports the following major governmental funds:

General Fund - The General Fund is the primary operating fund of the District. Its purpose is to account for and report all general operations of the District. The principal revenue sources are property taxes, operating grants, and interest. Included in the General Fund are the budgeted funds, General Operation Reserve Fund and the Watershed Education Reserve Fund.

Watershed Improvement Fund - The Watershed Improvement Fund accounts for grants received from various state and federal agencies. These grants vary in designated time limitations for utilization of the grant funds and vary as to requirements that must be met as to how the funds are used. The grant fund purposes range from conservation and education to administrative and are handled according to the rules and regulations set forth by the granting agencies.

C. Measurement Focus and Basis of Accounting

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 at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District receives value without giving equal value in exchange, include property taxes, grants, entitlements and donations. On the accrual basis of accounting revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (when they are measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period.

SHERMAN COUNTY SOIL AND WATER CONSERVATION DISTRICT  
Moro, Oregon  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2025

The District considers property taxes as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. Property taxes, interest and special assessments are susceptible to accrual. Other receipts and taxes become measurable and available when the cash is received by the government and are recognized as revenue at that time. Entitlements and shared revenues are recorded at the time of receipt or earlier if the "susceptible to accrual" criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

D. Capital Assets

Capital assets, which include property, equipment, and vehicles, are reported in the governmental activities columns in the government-wide Statement of Net Position. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair not adding to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the District as assets with initial, individual costs in excess of \$1,000 and a useful life in excess of one year.

Depreciation is provided in amounts sufficient to recover the cost of the depreciable assets over their estimated service lives on the straight-line basis. Depreciation on all assets is provided on the straight-line basis over estimated useful lives of 5-10 years.

E. Budgets and Budgetary Accounting

The District's annual budget is adopted on the modified accrual basis of accounting, consistent with the governmental fund financial statements (see Note 7) and legal requirements set forth in the Oregon local budget law. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total personal services, materials and services, special payments, capital outlay, and transfers by fund are the levels of control. The detail budget document, however, is required to contain more specific, detailed information for the above-mentioned expenditure categories. Appropriations lapse at June 30.

Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriations resolution. A supplemental budget may require hearings before the public, publications in newspapers, and approval by the board of directors. Original and supplemental budgets may be modified by the use of appropriations transfers between the levels of control. Such transfers require approval by the board of directors. The District does not utilize encumbrance accounting for budgeted funds.

F. Property Taxes Receivable

The District levies taxes on a fiscal year from July 1 to June 30. The current levy becomes a lien on July 1. Taxes are due November 15 and become delinquent May 15. Foreclosure

SHERMAN COUNTY SOIL AND WATER CONSERVATION DISTRICT  
Moro, Oregon  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2025

is started three years after taxes become delinquent. The District turns all tax collection duties over to Sherman County, Oregon. Property tax revenues are recognized when they are collected.

G. 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. All short-term cash surpluses are maintained in a demand account.

Oregon statutes and local ordinances authorize the District to invest (short-term and long-term) in certificates of deposit (considered deposits for risk categorization purposes), certain bond obligations of civil subdivisions, general obligations of the United States, U.S. agency issues, general obligations of the states of Oregon, Washington, Idaho, and California, certain interest bearing bonds of a county, port or school District, certain interest bearing bonds on any city in the state of Oregon, life insurance and annuity contracts, pooled deferred compensation trusts, banker's acceptances, and certain corporate bonds.

H. Compensated Absences

Non-Exempt employees of the district accrue compensatory time off when working in excess of 40 hours per week. Employees receive 1.5 hours of compensatory time for every hour worked beyond 40 in a work week.

The district also provides annual leave benefits to its regular part-time and full-time employees. Annual leave accrues monthly on the following basis, based on the employee's years of service, as determined by their anniversary date:

Years of Continuous service:	Monthly Accrual for Full-time Employees:
0 through 1 full years	8 hours
1 full year through less than 6 full years	12 hours
6 full years and greater	16 hours

Accrued compensatory time off and annual leave are paid out upon termination of employment. An employee can carry forward a maximum of 240 hours of vacation and compensatory time. Employees are also entitled to paid wellness leave with rates dependent on job classification. Permanent full-time employees receive 24 hours of wellness leave at the time of hire and accrue 8 hours of wellness leave per month. Part-time employees receive 16 hours of wellness leave at the time of hire, and accrue wellness leave monthly calculated at 1 hour of leave per 30 work hours. Unused wellness leave may be accumulated and carried over from year to year. Unused wellness leave is not paid upon termination.

I. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles used in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures (such as estimated

SHERMAN COUNTY SOIL AND WATER CONSERVATION DISTRICT  
Moro, Oregon  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2025

useful lives in determining depreciation expense); accordingly, actual results could differ from those estimates.

J. Rounding

The District financial statements, notes to the financial statements, and related tables and schedules display dollar amounts rounded to the nearest whole dollar. To improve communication among preparers, reviewers, and auditors during the preparation process, and to avoid excessive workload associated with the resolution of rounding errors, small differences may exist, and totals may not foot. These differences have been reviewed and deemed trivial enough so as to not impact the reader's experience.

K. Fund Balances

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

Nonspendable fund balance is the portion of net resources that cannot be spent because they are either (a) in a nonspendable form or (b) legally or contractually required to be maintained intact. Fund balance is reported as restricted when the constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Fund balance is reported as committed when the board of directors passes a resolution that places specific constraints on how the resources may be used. The board action that imposed the limitation would need to occur no later than the close of the reporting period. The board can modify or rescind the action at any time through passage of an additional resolution.

The net resources that are constrained by the District's intent to use them are reported as assigned fund balance. Intent is expressed when the board approves which resources should be set aside for specific purposes during the adoption of the annual budget. The board and office manager use that information to determine whether those resources should be classified as assigned in the District's financial statements. Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned within the General Fund.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

SHERMAN COUNTY SOIL AND WATER CONSERVATION DISTRICT  
Moro, Oregon  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2025

L. Prior Period Comparative Information

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2024.

M. Recently Adopted GASB Pronouncements

During the fiscal year ended June 30, 2025, the District adopted the following new GASB pronouncement:

GASB Statement No. 101, "Compensated Absences"

- Effective Date: Fiscal years beginning after December 15, 2023.
- Summary: GASB 101 updates guidance for accounting and financial reporting for compensated absences, including PTO, vacation, sick leave, and other leave benefits.
- Implementation: The standard was adopted and implemented for the fiscal year ended June 30, 2025. Its adoption did not have a material effect on the District's financial position, results of operations, or fund balances.

Note 2. Deposits

At June 30, 2025 the carrying amount of the District's deposits was \$1,257,595 and the bank balance was \$1,293,291. The District maintains depository relationships with area financial institutions that are Federal Depository Insurance Corporation (FDIC) insured institutions. The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. FDIC insurance of \$250,000 applies to the deposits in each depository. Where balances continually exceed \$250,000, ORS 295 requires the depositor to verify that deposit accounts are only maintained at financial institutions on the list of qualified depositories found on the state treasurer's Oregon Public Funds Collateralization Program (PFCP) web site. Oregon Revised Statute Chapter 295 requires all Oregon bank depositories holding public fund deposits to maintain securities totaling a value not less than 110 percent of the greater of:

- a. All public funds held by the bank depository; or
- b. The average of the balances of public funds held by the bank depository, as shown on the last four immediately preceding treasurer reports.

Custodial credit risk is the risk that in the event of a financial institution failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk. However, the balances in excess of the FDIC insurance are considered collateralized by PFCP. As of June 30, 2025 the District had no balances exposed to custodial credit risk.

As of June 30, 2025 the District had \$950,484 invested in the Oregon Local Government Investment Pool. The District's position in the pool is stated at cost which approximates fair value.

SHERMAN COUNTY SOIL AND WATER CONSERVATION DISTRICT  
Moro, Oregon  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2025

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The District has no policy for managing interest rate or credit risk. Investments by the District held in the Local Government Investment Pool are not rated.

The Oregon Short Term Fund is the LGIP for local governments and was established by the Oregon State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short Term Fund Board and approved by the Oregon Investment Council.

Note 3. Changes in Capital Assets

The following is a summary of changes in capital assets:

	Balance			Balance
Capital assets	June 30, 2024	Additions	Deletions	June 30, 2025
Office and field equipment	\$ 71,320	\$ 59,262	\$ 18,758	\$ 111,824
	<u>71,320</u>	<u>59,262</u>	<u>18,758</u>	<u>111,824</u>
Accumulated depreciation				
Office and field equipment	62,281	7,828	18,758	51,351
	<u>62,281</u>	<u>7,828</u>	<u>18,758</u>	<u>51,351</u>
Capital assets, net	<u>\$ 9,039</u>	<u>\$ 51,434</u>	<u>\$ 0</u>	<u>\$ 60,473</u>

Depreciation expense for the year ended June 30, 2025 was \$7,828 charged to governmental activities.

Note 4. Changes in Compensated Absences

The following is a summary of the District's compensated absences:

Balance at June 30, 2024	Net Change	Balance at June 30, 2025	Estimated Amounts due within one year
\$ 4,097	\$ 5,715	\$ 9,811	\$ 9,811
<u>\$ 4,097</u>	<u>\$ 5,715</u>	<u>\$ 9,811</u>	<u>\$ 9,811</u>

The District has elected to report the net change in the balances for compensated absences rather than the gross increases and decreases.

SHERMAN COUNTY SOIL AND WATER CONSERVATION DISTRICT  
Moro, Oregon  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2025

Note 5. Retirement Plan

The District offers a retirement match benefit to regular full-time and part-time employees with at least one year of employment and 1000 hours worked in the form of matching contributions to the employee's SIMPLE IRA account dependent on the employee's years of service:

Years of Employment:	Match:
1 year	3%
2-3 years	4%
4-5 years	5%
6 years	6%

District employees may elect and adjust their contribution amounts as desired, not to exceed the maximums allowed by applicable law. The District may elect to make contributions to the plan on the employee's behalf depending on the financial well-being of the District. During the fiscal years ended June 30, 2025, and June 30, 2024 the district's contributions were \$3,937 and \$2,745 respectively. The district does not offer any postemployment benefits.

Note 6. Risk Management

The District is exposed to various risks of loss related to torts; theft or damage to and destruction of assets; errors and omissions; natural disasters for which the District carries commercial insurance. The District does not engage in risk financing activities where the risk is retained (self-insurance). Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

Note 7. Commitments and Contingencies

Amounts received from grantor agencies are subject to audit and adjustment by these agencies. Any disallowed claims, including amounts already collected, may constitute a liability to the District. The amount, if any, of costs which may be disallowed by the grantor cannot be determined at this time, although District management expects such amounts, if any, to be immaterial.

Note 8. Budgetary Basis of Accounting

Oregon Local Budget Law requires the District to prepare and adopt an annual budget on a basis of accounting consistent with generally accepted accounting principles (GAAP), or to disclose any departures. In prior years, the District's budgetary comparison schedules were presented on the cash basis of accounting. Beginning with the year ended June 30, 2025, the District presents budgetary comparison schedules on the modified accrual basis of accounting, consistent with the governmental fund financial statements.

This change was made to improve comparability and transparency between the budgetary comparison schedules and the underlying fund financial statements. Prior-year schedules have not been restated and are presented on the basis originally reported.

SHERMAN COUNTY SOIL AND WATER CONSERVATION DISTRICT  
Moro, Oregon  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2025

	Ending Fund Balance Reported in 2024	Adjustment	Beginning Fund Balance Reported in 2025
General Fund	\$ 1,975,316	\$ (4,699)	\$ 1,970,617
Watershed Improvement Fund	126,722	6,121	132,843
Total	\$ 2,102,038	\$ 1,422	\$ 2,103,460

Note 9. Related Party Transactions

The District is required to disclose certain transactions with related parties. Related parties include members of the governing board and their immediate families, as well as organizations with which such individuals are associated.

During the year ended June 30, 2025, the District participated in a county cost share grant program that paid the J Bar S Ranch, a business owned by Brian Simantel, a member of the Board of Directors the amount of \$15,000 and Fields Ranch, a business owned by Trevor Fields, a member of the Board of Directors the amount of \$2,524. The transactions were conducted under the same terms and conditions as those applicable to other participants in the program. The Board member did not participate in discussions or decisions of the District relating to this transaction.

Management has evaluated the arrangement and determined that the transaction was consistent with the District’s mission and did not create a conflict of interest under Oregon law.

SUPPLEMENTARY SCHEDULES

SHERMAN COUNTY SOIL AND WATER CONSERVATION DISTRICT  
Moro, Oregon  
**COMBINING BALANCE SHEET - GENERAL FUND**  
June 30, 2025

	General Fund	General Operating Reserve Fund	Watershed Education Reserve Fund	Total June 30, 2025
<b>ASSETS</b>				
Cash and investments	\$ 1,580,924	\$ 487,426	\$ 31,061	\$ 2,099,411
Property taxes receivable	48,904	-	-	48,904
Total assets	<u>\$ 1,629,828</u>	<u>\$ 487,426</u>	<u>\$ 31,061</u>	<u>\$ 2,148,315</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>				
<b>Liabilities</b>				
Accounts payable	\$ 1,425	\$ -	\$ -	\$ 1,425
Accrued liabilities	2,967	-	-	2,967
Total liabilities	<u>4,392</u>	<u>0</u>	<u>0</u>	<u>4,392</u>
<b>Deferred inflows of resources</b>				
Unavailable property tax revenue	48,904	-	-	48,904
Total deferred inflows of resources	<u>48,904</u>	<u>0</u>	<u>0</u>	<u>48,904</u>
<b>Fund balance</b>				
Assigned	-	487,426	31,061	518,487
Unassigned	1,576,532	-	-	1,576,532
Total fund balance	<u>1,576,532</u>	<u>487,426</u>	<u>31,061</u>	<u>2,095,019</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 1,629,828</u>	<u>\$ 487,426</u>	<u>\$ 31,061</u>	<u>\$ 2,148,315</u>

SHERMAN COUNTY SOIL AND WATER CONSERVATION DISTRICT

Moro, Oregon

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GENERAL FUND**

For the year ended

June 30, 2025

	General Fund	General Operating Reserve Fund	Watershed Education Reserve Fund	Total June 30, 2025
Revenues				
Operating grants	\$ 33,690	\$ -	\$ -	\$ 33,690
Property taxes	292,284	-	-	292,284
Strategic investment program in lieu of taxes	14,400	-	-	14,400
Other income	16,393	-	-	16,393
Interest income	58,264	-	-	58,264
Total revenues	<u>415,031</u>	<u>0</u>	<u>0</u>	<u>415,031</u>
Expenditures				
Personal services	117,991	-	-	117,991
Materials and services	40,197	-	-	40,197
Special payments	62,388	-	12,500	74,888
Capital outlay	57,553	-	-	57,553
Total expenditures	<u>278,129</u>	<u>0</u>	<u>12,500</u>	<u>290,629</u>
Excess of revenues over (under) expenditures and net change in fund balance	<u>136,902</u>	<u>0</u>	<u>(12,500)</u>	<u>124,402</u>
Other financing sources (uses)				
Transfers in	-	1,500	5,500	7,000
Transfers out	(7,000)	-	-	(7,000)
Total other financing sources (uses)	<u>(7,000)</u>	<u>1,500</u>	<u>5,500</u>	<u>0</u>
Net changes in fund balances	129,902	1,500	(7,000)	124,402
Fund balance at beginning of year	<u>1,446,630</u>	<u>485,926</u>	<u>38,061</u>	<u>1,970,617</u>
Fund balance at end of year - by category				
Assigned	-	487,426	31,061	518,487
Unassigned	1,576,532	-	-	1,576,532
Fund balance at end of year - Total	<u><u>\$ 1,576,532</u></u>	<u><u>\$ 487,426</u></u>	<u><u>\$ 31,061</u></u>	<u><u>\$ 2,095,019</u></u>

SHERMAN COUNTY SOIL AND WATER CONSERVATION DISTRICT  
Moro, Oregon  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
For the Year Ended  
June 30, 2025

	Actual	Budget		(Over) Under Budget
		Original	Final	
Revenues				
Operating grants	\$ 33,690	\$ 48,978	\$ 48,978	\$ 15,288
Property taxes	292,284	244,214	244,214	(48,070)
SIP in lieu of taxes	14,400	30,000	30,000	15,600
Interest	58,264	20,000	20,000	(38,264)
Other income	16,393	14,000	14,000	(2,393)
Total revenues	<u>415,031</u>	<u>357,192</u>	<u>357,192</u>	<u>(57,839)</u>
Expenditures				
Administration	215,741	308,733	308,733	92,992
Special payments	62,388	115,000	115,000	52,612
Contingency	-	200,000	200,000	200,000
Total expenditures	<u>278,129</u>	<u>623,733</u>	<u>623,733</u>	<u>345,604</u>
Excess of revenues over (under) expenditures and net change in fund balance	136,902	(266,541)	(266,541)	(403,443)
Other financing sources (uses)				
Transfers out	<u>(7,000)</u>	<u>(7,000)</u>	<u>(7,000)</u>	<u>-</u>
Net change in fund balance	129,902	(273,541)	(273,541)	(403,443)
Fund balance, July 1	<u>1,446,630</u>	<u>1,072,958</u>	<u>1,072,958</u>	<u>(373,672)</u>
Fund balance, June 30	<u>\$ 1,576,532</u>	<u>\$ 799,417</u>	<u>\$ 799,417</u>	<u>\$ (777,115)</u>

SHERMAN COUNTY SOIL AND WATER CONSERVATION DISTRICT  
Moro, Oregon  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL OPERATING RESERVE FUND**  
For the Year Ended  
June 30, 2025

	Actual	Budget		(Over) Under Budget
		Original	Final	
Revenues				
Operating grants	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Personal services	-	60,000	60,000	60,000
Special payments	-	50,000	50,000	50,000
Total expenditures	<u>0</u>	<u>110,000</u>	<u>110,000</u>	<u>110,000</u>
Excess of revenues over (under) expenditures and net change in fund balance	0	(110,000)	(110,000)	(110,000)
Other financing sources (uses)				
Transfers in	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>-</u>
Net change in fund balance	1,500	(108,500)	(108,500)	(110,000)
Fund balance, July 1	<u>485,926</u>	<u>485,200</u>	<u>485,200</u>	<u>(726)</u>
Fund balance, June 30	<u>\$ 487,426</u>	<u>\$ 376,700</u>	<u>\$ 376,700</u>	<u>\$ (110,726)</u>

SHERMAN COUNTY SOIL AND WATER CONSERVATION DISTRICT  
Moro, Oregon  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**WATERSHED EDUCATION RESERVE FUND**  
For the Year Ended  
June 30, 2025

	Actual	Budget		(Over) Under Budget
		Original	Final	
Revenues				
Operating grants	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Special payments	12,500	20,000	20,000	7,500
Total expenditures	<u>12,500</u>	<u>20,000</u>	<u>20,000</u>	<u>7,500</u>
Excess of revenues over (under) expenditures and net change in fund balance	(12,500)	(20,000)	(20,000)	(7,500)
Other financing sources (uses)				
Transfers in	5,500	5,500	5,500	-
Net change in fund balance	(7,000)	(14,500)	(14,500)	(7,500)
Fund balance, July 1	<u>38,061</u>	<u>39,000</u>	<u>39,000</u>	<u>939</u>
Fund balance, June 30	<u>\$ 31,061</u>	<u>\$ 24,500</u>	<u>\$ 24,500</u>	<u>\$ (6,561)</u>

SHERMAN COUNTY SOIL AND WATER CONSERVATION DISTRICT  
Moro, Oregon  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**WATERSHED IMPROVEMENT FUND**  
For the Year Ended  
June 30, 2025

	Actual	Budget		(Over) Under Budget
		Original	Final	
Revenues				
Operating grants	\$ 153,310	\$ 208,000	\$ 208,000	\$ 54,690
Other income	75	-	-	(75)
Total revenues	<u>153,385</u>	<u>208,000</u>	<u>208,000</u>	<u>54,615</u>
Expenditures				
Administration	152,679	178,582	178,582	25,903
Special payments	11,499	95,000	95,000	83,501
Contingency	-	45,000	45,000	45,000
Total expenditures	<u>164,178</u>	<u>318,582</u>	<u>318,582</u>	<u>154,404</u>
Excess of revenues over (under) expenditures and net change in fund balance	(10,793)	(110,582)	(110,582)	(99,789)
Fund balance, July 1	<u>132,843</u>	<u>170,752</u>	<u>170,752</u>	<u>37,909</u>
Fund balance, June 30	<u>\$ 122,050</u>	<u>\$ 60,170</u>	<u>\$ 60,170</u>	<u>\$ (61,880)</u>

SHERMAN COUNTY SOIL AND WATER CONSERVATION DISTRICT  
Moro, Oregon  
**NOTES TO SUPPLEMENTARY INFORMATION**  
**BUDGETARY REPORTING**  
For the Year Ended  
June 30, 2025

In accordance with Oregon Revised Statutes, the board of directors annually adopts a budget following required public notice and hearing. The budget may be amended during the year through statutorily prescribed procedures. Appropriations lapse at year end.

Beginning with the year ended June 30, 2025, the district presents budgetary comparison schedules on the modified accrual basis of accounting, consistent with the governmental fund financial statements. In prior years, schedules were presented on the cash basis. Prior-year schedules have not been restated. See Note 7 to the financial statements for additional information.

Formal and legal budgetary control for the certified budget is based upon organizational unit or program within each fund. In addition, several functions are not allocated to the organizational unit or program. These include, Special Payments, Contingency, and Transfers. The district did not approve any changes to the adopted budget during the year.

During the year ended June 30, 2025 disbursements in all funds were within certified budget amounts.

MANAGEMENT REPRESENTATION OF FISCAL AFFAIRS

SHERMAN COUNTY SOIL AND WATER CONSERVATION DISTRICT  
Moro, Oregon  
**MANAGEMENT REPRESENTATION OF FISCAL AFFAIRS**  
June 30, 2025

The Sherman County Soil & Water Conservation District is subject to, and responsible for, compliance with various laws, rules, and regulations relating to its operations and finances. Among such laws, rules, and regulations are the requirements prescribed in Municipal Audit Law (ORS Chapter 297) and the Minimum Standards for Agreed-Upon Procedures of Oregon Municipal Corporations (OAR 162, Division 40) including but not limited to:

- 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
- Highway revenues used for public highways and roads (ORS Chapters 294, 368 and 373)
- Authorized investments of surplus funds (ORS Chapter 294)
- Public contracts, purchasing, and improvements (ORS Chapters 279A, 279B, and 279C)

The management of Sherman County Soil & Water Conservation District is aware of the requirements of Oregon laws and administrative rules concerning each of the above requirements and has complied, in all material respects, with such requirements. Further, we are not aware of any violations or possible violations of laws, rules, or regulations, whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.

The governing body and the district were covered the entire year ended June 30, 2025, a \$250,000 crime coverage policy through The Ohio Casualty Insurance Company.



Amanda Whitman, District Manager

10/28/2025

Date

SHERMAN COUNTY SOIL AND WATER  
CONSERVATION DISTRICT  
Moro, Oregon

**INDEPENDENT ACCOUNTANT'S REPORT ON  
AGREED-UPON PROCEDURES**

For the Year Ended June 30, 2025

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Moro, Oregon  
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**INDEPENDENT ACCOUNTANT'S  
REPORT ON AGREED-UPON PROCEDURES**

Board of Directors  
Sherman County Soil & Water Conservation District  
Moro, Oregon

We have performed the procedures as enumerated in the attached Appendix A – Procedures and Associated Findings Report pursuant to the Oregon Administrative Rules (OAR) 162-040-0165 Agreed-Upon Procedures for the Sherman County Soil & Water Conservation District, (the District) as of June 30, 2025 and for the year then ended (the subject matter). The District is responsible for the subject matter.

The District has agreed to and acknowledged that the procedures performed are appropriate for the intended purpose of compliance with the Minimum Standards for Agreed-Upon Procedures of Oregon Municipal Corporations during the year ended June 30, 2025. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are attached in Appendix A – Procedures and Associated Findings Report.

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA). We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the subject matter or financial statements referenced within the Appendix A – Procedures and Associated Findings Report. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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 agreed-upon procedures engagement.

This report is intended solely for the information and use of board of directors, management, and the Oregon Secretary of State, and is not intended to be, and should not be, used by anyone other than these specified parties



For Solutions, CPAs PC  
John Day, Oregon  
October 28, 2025

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SHERMAN COUNTY SOIL AND WATER CONSERVATION DISTRICT  
Moro, Oregon  
**APPENDIX A - PROCEDURES AND ASSOCIATED FINDINGS REPORT**  
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**AGREED-UPON PROCEDURES**

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- 1) Total amounts must include all funds and activities of the municipal corporation.
  - a. The accountant should not report personally identifiable or confidential information. The accountant may consider including position titles rather than individual names, where appropriate, and refrain from referencing payment card numbers or other potentially sensitive information when reporting results of procedures performed. The accountant should retain information and support as necessary for their records only.
  - b. The type of procedure is noted in parenthesis after each procedure or procedure category and includes the following:
    - A. I - Informational/Procedural
    - B. A - Accounting/financial reporting
    - C. IC - Internal Control over either accounting/financial reporting or compliance
    - D. C - Compliance

**2) OBTAIN AND REPORT GENERAL INFORMATION (I)**

- a. Municipal Corporation Name Sherman County Soil & Water Conservation District
- b. Fiscal Year-End date (Month XX, 20XX) June 30, 2025
- c. Municipal corporation type and Oregon Statute of formation (for example: Water District, ORS 264) Oregon Soil and Water Conservation District under ORS Chapter 568

**3) FINANCIAL REPORT**

- a. Obtain a copy of the municipal corporation's financial report. A copy of the municipal corporation's financial report was obtained

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b. Threshold Calculation (I): For the purposes of performing these procedures calculate a threshold where the threshold equals total expenses multiplied by five percent. Total expenses are the total primary government expenses reported on the government-wide statement of activities, including depreciation if applicable to the basis of accounting used. If the municipal corporation reports only Proprietary funds, expenses for the purposes of calculating the threshold include operating and non-operating expenses.

Total Expenditures:  $\$409,088 \times .05 = \$20,454$

c. Compare amounts reported on the financial report to the municipal corporation's general ledger/trial balance used to prepare the financial report plus all the adjustments to the financial report basis. Inspect any differences greater than the calculated threshold and inquire of management about the reason for difference(s). The accountants' report should include a list of the reporting categories (for example: Materials and Services, or Accounts Payable) and managements' description justifying the differences noted. (A)

Amounts reported on the financial report were compared to the amounts in the municipal corporation's general ledger. There were no differences greater than the calculated threshold

d. Does the financial report include the names and addresses of officers of the municipal corporation and members of its governing body? (A)

The financial report includes the names and addresses of officers and members of its governing body

e. If a special district, does the financial report include the name and address of the registered agent or the fact that one has not been designated? (OAR 162-040-0095)

The financial report includes the name and address of the registered agent

f. Does the financial report include the statements and schedules required by GAAP as dictated by GASB and considering the basis of accounting used? (A)

The financial report includes the statements and schedules required by GAAP as dictated by GASB and the basis of accounting used

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g. Does the financial report include a budget to actual schedule for each fund for which budgets are legally required? (OAR 162-040-0060) (A/C)

The financial report included a budget to actual schedule for each fund for which budgets are legally required

h. Does the financial report include management's representations regarding compliance required by rule? (OAR 162-040-0096) (C)

The financial report includes management's representations regarding compliance required by rule

**4) OPERATIONS, POLICIES + PROCEDURES**

a. Obtain and inspect the municipal corporation's written policies and procedures and determine whether they address each of the categories listed in subsection (b): (IC)

A copy of the municipal corporation's written policies and procedures were obtained and inspected

b. A municipal corporation's written policies and procedures should address each of the following topics:

- |  |     |
|--|-----|
| A. Budgeting                                 | Yes |
| B. Purchasing                                | Yes |
| C. Disbursements                             | Yes |
| D. Receipts/collections                      | Yes |
| E. Payroll/personnel                         | Yes |
| F. Contracting + procurement                 | Yes |
| G. Travel and expense reimbursement          | Yes |
| H. Credit cards (debit, fuel cards, P-cards) | Yes |
| I. Ethics                                    | Yes |
| J. Debt service                              | Yes |

c. Report Y or N next to each category, or report N/A if the category does not apply to the municipal corporation.

See responses above

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**5) PUBLIC MEETINGS (C)**

- a. Public meetings are generally governed by ORS 192.610 to 192.695.
- b. Obtain access to (or copies of) meeting minutes of the governing body.
- c. Haphazardly select two meetings held during the reporting period and perform the following:
  - A. Was required notice given?
  - B. Did the notice include an agenda?
  - C. Was there a process for public comment?
  - D. If a portion of the meeting was closed to the public, determine that:
    - i. before the meeting was closed, the reason for holding the closed meeting was documented in the meeting minutes and a roll call vote was taken,
    - ii. the reason for closing the meeting was permitted under statute.

- Access to meeting minutes of the governing body were obtained
- Haphazardly selected the October 2024 and May 2025 meetings
  - Required notice was given for both meetings selected
  - The notice included an agenda for both meetings selected
  - An informal process for public comment was included for both meetings selected
- Not applicable - neither meeting had a portion closed to the public
- Not applicable - neither meeting had a portion closed to the public
- Not applicable - neither meeting had a portion closed to the public

**6) ACCOUNTING RECORDS**

- a. Inquire of management regarding whether policies and procedures are current and reflect the operations in place during the reporting period. Report management's response. (I)

- Management responded that yes, policies and procedures are current and reflective of the operations in place during the reporting period

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b. Inquire of the governing body chairperson whether they receive periodic financial information updating them on budgeted vs. actual spending and report the chairperson's response. (I/IC)

The Board Chairperson responded that yes, the board receives periodic financial information updating them on the budgeted vs. actual spending

c. Inquire of the governing body chairperson whether the governing body, or certain members of the governing body, approves payments and contracts and report the chairperson's response. If not, report the position title approval authority is delegated to. (IC)

The Board Chairperson responded that yes, the board approves payments and contracts

**7) RELATED PARTIES (A/IC)**

a. Obtain a list of payments during the reporting period by payee/vendor.

A list of payments during the reporting period by payee/vendor was obtained

b. Inquire of management whether any of the payees listed are related parties (as defined in standards).

Inquired of management and obtained a the list of parties defined as related parties

c. Recalculate payments to related parties and report the total paid to each party, and the nature of the payments (for example: goods or services, reimbursement).

Payments to related parties were recalculated and the following totals identified: \$838 in reimbursements to the Watershed Tech/Coordinator, \$510 in reimbursements to the office assistant, \$15,000 in payments to a member of the board of director's ranch for the cost share program for fencing, and \$2,524 to another member of the board of director's ranch for the cost share program for fencing

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**8) PAYMENT CARDS (A/IC)**

a. Obtain from management a complete listing of all active payment cards (i.e., credit cards, purchase cards) for the fiscal period, including the name(s) of the person(s) who maintained possession of the cards.

A complete listing of active payment cards was obtained from management

b. Haphazardly select one month and request the monthly statement from each active card (but not more than 5 cards) and observe whether:

Haphazardly selected the January 2024 statements for both active cards and requested them from management and observed that:

A. The card had assessed finance charges or late fees. Report amounts if applicable.

Finance charges of \$9 for the first card and \$5 for the second card were assessed

B. The monthly statement was reviewed and approved for payment, in writing by someone other than the cardholder (for example: initials and date, or electronically approved, approved as noted in the governing body meeting minutes).

The statement was reviewed and approved by the council as documented in the January board meeting minutes

**9) PROPERTY TAXES (A)**

a. If the municipality receives property tax revenue perform the following:

b. Obtain a property tax revenue schedule or turnover report from the municipality.

The property tax turnover reports were obtained

c. Report the property tax revenue received by type (for example: permanent rate tax, local option tax).

Permanent General Fund: \$292,384

d. Trace amounts to the financial records, such as the trial balance or general ledger.

Amounts were traced to the financial records

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**10) ACCOUNTS RECEIVABLE (A)**

- a. For municipal corporations reporting on an accrual basis of accounting perform the following:
- b. Obtain an accounts receivable aging report as of the last day of the fiscal year and agree to accounting records (trial balance).
- c. For all accounts greater than 90 days, inquire of management whether the amount is collectible.
- d. Report the balance that is considered by management to be uncollectable, if any.
- e. If the accountant is unable to agree the aging report to the accounting records, report the reason(s) why, if known.

- The accounts receivable aging report as of the last day of the fiscal year was obtained and agreed to the trial balance
- Not applicable - no accounts are greater than 90 days
- No balances are considered uncollectable by management
- Not applicable - the aging report agrees to the accounting records

**11) ACCOUNTS PAYABLE (A)**

- a. For municipal corporations reporting on an accrual basis of accounting perform the following:
- b. Obtain an accounts payable listing and agree to the accounting records (trial balance).
- c. Obtain a listing of disbursements subsequent to fiscal year end and haphazardly select a sample of five transactions (or transactions totaling the calculated threshold, whichever is less).
- d. Inspect supporting documentation (invoice, purchase order, contract, etc.) for each sample transaction and confirm it was reported in the correct period.

- The accounts payable listing was obtained and agreed to the accounting records
- Obtained a listing of disbursements subsequent to fiscal year end and haphazardly selected a sample of five transactions, which was less than the calculated threshold
- Supporting documentation was inspected for each sampled transaction and confirmed that they were reported in the correct period with the exception of three transactions totaling \$5,012 which were recorded in the incorrect period

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**12) FUND BALANCE/NET POSITION (A)**

a. Agree beginning fund balance/net position to prior year ending fund balance/net position and reconcile any differences.

Beginning fund balance and net position was agreed to the ending fund balance and net position. A difference of \$(1,422) was identified related to the change in the budgetary basis of accounting and are disclosed in the notes to the financial statements. No changes were made to beginning net position

b. If there are any changes to beginning fund balance/net position, confirm that the financial report discloses the changes to fund balance/net position and the reason for the difference (for example: error, implementation of new accounting policy, change in accounting estimate, change in reporting entity).

The changes to beginning fund balance were related to the change in the budgetary basis of accounting and are disclosed in the notes to the financial statements. No changes were made to beginning net position

**13) REVENUE - CHARGES FOR SERVICES (A)**

a. If the municipal corporation reports charges for services perform the following:

Not applicable - the municipal corporation does not report charges for services

b. Obtain the fee schedule(s).

c. Haphazardly select a sample of 10 transactions (or transactions totaling the calculated threshold, whichever is less).

Not applicable - the municipal corporation does not report charges for services

d. Based on the fee schedule(s), recalculate the charges for services.

Not applicable - the municipal corporation does not report charges for services

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**14) PAYROLL (A)**

a. If the municipal corporation has employees, perform the following:

b. Calculate the amount of payroll expenditures for the reporting period (year) compared to total operating costs. If payroll expenditures are greater than 20 percent of annual operating cost, perform the following:

A. Obtain all payroll checks or direct deposit records, but not more than five, for one haphazardly selected month during the reporting period. Compare the names and pay rates to employee records.

B. Obtain a listing of employees and officials employed during the fiscal period. Haphazardly select five employees or officials (or all, if fewer than five) and obtain related paid salaries or pay rates and personnel files. Person(s) with the ability to enter payroll or who approves payroll related payments must be included in the sample selected.

i. Agree annual paid salaries and bonuses to authorized salaries/pay rates in the personnel files.

ii. Observe that individuals selected and receiving pay have a corresponding personnel file and were employees or officers during the reporting period.

**15) CASH (A/IC/C)**

a. Obtain a listing of all bank accounts from management.

Total operating costs: \$454,808 x .20 = \$90,962 Gross Payroll: \$246,131. Payroll is greater than 20% of Total operating costs

All payroll checks and direct deposit records were obtained for the month of May 2025 which was haphazardly selected. Names and pay rates of employees were compared to employee records

Obtained a listing of employees and officials employed during the fiscal period and selected all five to test, which includes the person with the ability to enter payroll or who approves payroll related payments

Agreed annual paid salaries and bonuses to authorized salaries and pay rates in the personnel files with exception of \$224 of retro-pay increases that were not fully supported by documentation

Observed that individuals selected and receiving pay had a corresponding personnel file and were employees or officers during the reporting period

A listing of bank accounts was obtained from management

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b. Obtain year-end statements and trace ending balances to the year-end bank reconciliations. If possible, the year-end statement should be viewed via online account access as confirmation.

Year-end statements showing ending balances were obtained and traced to the year-end bank reconciliations

c. If the independent accountant can view accounts online, vouch that each account listed online was included in the list of accounts provided by management.

Vouched accounts listed online were included in the list of accounts provided by management

d. For each depository account, obtain the year-end bank reconciliation and one additional month's reconciliation, haphazardly selected from a different quarter, and observe whether:

Haphazardly selected and obtained October 2024 in addition to the year-end June 2025 bank reconciliation and observed that:

A. Reconciliations were prepared and reviewed within 2 months of the related statement's closing date. If not, report the date prepared and reason given by management for why the reconciliation was prepared after two months.

Reconciliations were prepared and reviewed within two months of the related statement's closing date for both periods selected except for the CDARS 2 and CDARS 3 accounts which were unreconciled because activity is limited to only interest income that only impacts the accounts on maturity of the investment. Maturity typically occurs in June for the CDARS 2 account and January for the CDARS 3 account and activity is only reconciled on those dates

B. The statement balance traces to the reconciliation.

The statement balances were traced to the reconciliations with exception of the CDARS 2 and CDARS 3 accounts which were not formally reconciled for the dates selected

C. The reconciled book balance traces to the general ledger and the trial balance or summary schedule.

The reconciled book balances were traced to the general ledger and the trial balance summary schedule with exception of the CDARS 2 and CDARS 3 accounts which were not formally reconciled for the dates selected

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D. Mathematically, the reconciliation and detailed supporting schedules are accurate.

Mathematically, the reconciliation and detailed supporting schedules were accurate with exception of the CDARS 2 and CDARS 3 accounts which were not formally reconciled for the dates selected. The CDARS 2 and CDARS 3 account statement balances matched with the general ledger balances

e. Obtain a check register for the fiscal year and confirm if there are any gaps in check numbers issued during the year. Account for all voided checks by obtaining supporting documentation (for example: voided check).

A check register for the fiscal year was obtained and gaps in check numbers issued during the year were matched to voided checks and supporting documentation

f. Inquire of the municipal corporation whether they are required to maintain any separate bank accounts for a particular fund, program, loan, grant, or other purpose. If yes, observe whether the municipal corporation maintains a separate bank account as required.

From inquiry with the municipal corporation, they are not required to maintain a separate bank account for a particular fund, program, loan, grant, or other purpose. Certain balances of cash are restricted in purpose as outlined in the financial report

g. If account(s) were opened or closed during the year (determined by comparing the current listing to prior years), inspect the minutes of the governing body and observe that the decision(s) are included. If approval authority is delegated to open and close accounts and not approved by the governing body, report the position title that authority is delegated to only if there were new or closed accounts during the year.

The CDARS 2 and CDARS 3 accounts are on an auto-renewal system through the Bank of Eastern Oregon. Approval authority for the accounts are granted to the District Manager

h. Determine whether deposits are covered by Federal Deposit Insurance Corporation (FDIC) or National Credit Union Administration (NCUA) insurance or deposited with institutions participating in the public funds collateralization pool. (ORS 295 - Depositories of Public Funds and Securities)

It was determined that deposits are maintained at institutions participating in the public funds collateralization pool

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**16) DEBT (A/C)**

a. Obtain a complete list of debt (loans, mortgages, bonds, notes, or other debt instruments) and management's representations that the listing is complete.

Not applicable - the municipal corporation does not have any debt

b. Obtain supporting documentation for all newly issued debt (new during the engagement period and fiscal period reported) and carried forward debt.

Not applicable - the municipal corporation does not have any debt

c. Reconcile new debt to the list of debt, and the list of debt to the reported amount(s) on the financial report, as applicable.

Not applicable - the municipal corporation does not have any debt

d. Inquire of management about any debt covenants, such as a required cash reserve or coverage ratio. If such covenants exist, report the requirement(s) and report management's responses on:

Not applicable - the municipal corporation does not have any debt

A. how the entity monitors the requirement(s) and

Not applicable - the municipal corporation does not have any debt

B. whether the municipal corporation met the requirement(s) throughout the year.

Not applicable - the municipal corporation does not have any debt

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**17) LOCAL BUDGET LAW (C)**

a. This section describes procedures over compliance with legal requirements relating to the preparation, adoption, and execution of the annual or biennial budget for the fiscal year engaged for AUP and included in the annual financial report, and the preparation and adoption of the budget for the next succeeding year. If the municipal corporation is subject to local budget law (ORS 294) complete the following procedures (b) through (f):

The municipal corporation is subject to local budget law

b. Adopted Budget

A. Obtain a copy of the original approved and adopted budget.

A copy of the original approved and adopted budget was obtained

B. Determine whether the budget was adopted before the start of the budget year. (ORS 294.408)

It was determined that the budget was adopted before the start of the budget year

C. Determine whether the budget committee passed a motion to approve each tax levy and the budget dollar amount. (ORS 294.428)

It was determined that the budget committee passed a motion to approve each tax levy and the budget dollar amount

D. Compare the original adopted budget levy and the budget amount to the approved budget levy and budget. If there were any changes/differences, determine whether procedures were followed to make the change. (ORS 294.456)

The original adopted budget levy and budget amount were compared to the approved budget levy and budget. There were no changes or differences

E. If resources do not equal requirements, document which funds are not balanced and report management's response as to why they are not balanced. Report N/A if the budget is balanced.

Not applicable - the budget is balanced

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c. Budget Resolution

A. Obtain a copy of the resolution and observe whether the municipal corporation has appropriated by organization unit or program. (ORS 294.388(2))

A copy of the resolution was obtained and observed to be appropriated by organizational unit

d. Budget Meetings

A. Obtain a copy of budget committee meeting notice(s).

Copies of the budget committee meeting notices were obtained

B. Compare the dates of published notice to the meeting dates and conclude whether notices were published timely. (ORS 294.426)

The dates of published notices were compared to the meeting dates and it was concluded that they were published timely

e. Budget Hearing

A. Obtain a copy of the notice of budget hearing (LB-1, ED-1, UR-1 or CC-1).

A copy of the notice of budget hearing was obtained

B. Observe each statement to ensure the notices of budget hearing are complete and published timely. (ORS 294.438)

The statement was observed and the notice for the budget hearing was complete and published timely

f. Budget Execution, Resolution Transfer or Supplemental Budget. The following procedures relate to the execution of the budget for the fiscal year engaged for AUP and as reported in the annual financial report.

A. Compare the budget resolution to final, actual spending and report whether the municipal corporation overspent any appropriation category. If a budget exception exists per ORS 294.338, there is no violation and the accountant should exclude an overspending comment from the report. (ORS 294.338)

The budget resolution was compared to the final, actual spending. There were no over-expenditures

B. Obtain a copy of any resolution transfer or supplemental budget.

Not applicable - no resolution transfers or supplemental budgets were adopted

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C. Determine whether the transfer or changes were made prior to overspending appropriation authority. (ORS 294.463 and ORS 294.471)

Not applicable - no resolution transfers or supplemental budgets were adopted

**18) FIDELITY BOND + INSURANCE (C)**

a. Obtain from management a copy of the fidelity or faithful performance bond covering the principal responsible official (those responsible for receiving and disbursing moneys on behalf of the municipality).

A copy of the faithful performance bond covering the principal responsible official was obtained

b. Observe that the bond was in force during the fiscal period.

It was observed that the coverage was in force during the fiscal period

c. Observe that the bond was in an amount sufficient as required by ORS 297.435(3).

It was observed that the coverage was in an amount sufficient as required by ORS 297.435(3)

**19) CONTRACTING + PROCUREMENT (A/IC/C)**

a. Obtain, from management, a list of contracts and agreements for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period.

A list of contracts and agreements for professional services, material and supplies, leases, and construction activities that were initiated or renewed during the fiscal period was obtained from management

b. For contracts or agreements over \$25,000 or the calculated threshold, whichever is greater, obtain the procurement documentation and observe whether there is evidence of obtaining multiple quotes (or bids if required due to the total contract amount) or documentation as to why sole source selection was reasonable in the circumstance. (Y/N) If N, document the goods or services purchased and the total amount of the purchase or contract.

For contracts over \$25,000, which is greater than the calculated threshold, procurement documentation was obtained and observed. Yes, there was documented evidence of multiple quotes obtained

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**20) PROGRAMS FUNDED FROM OUTSIDE SOURCES (C)**

a. Inquire of municipal corporation management and obtain a listing of any grant or similar funding, to identify any outside sources of funding, and whether there are requirements restricting the use those funds or related to the timing of spending the funding.

Inquired of management and obtained a list of grants and similar funding and their associated requirements

b. Report on the source(s) and amount(s) received during the year reported for any source that exceeds the calculated threshold, or 10 percent of revenues, whichever is greater.

The district received \$96,594 from the Oregon Department of Administration (ODA), which was in excess of 10% of revenues, which was greater than the calculated threshold

**21) HIGHWAY FUNDS (C) - ORS 294, 368, and 373; Article IX section 3a of the Oregon Constitution**

a. If the municipal corporation spent highway funds during the year, perform the following (highway funds refer specifically to revenue from taxes on motor vehicle use and fuel, and road funds):

Not applicable - the municipal corporation has not spent highway funds during the fiscal year

b. Inquire of management if funds were spent in compliance with the law (as contained in Article IX, section 3a of the Oregon Constitution and ORS 294, 368, and 373 pertaining to the use of road funds). (Y/N) If N, report the violation.

Not applicable - the municipal corporation has not spent highway funds during the fiscal year

c. Inquire of management whether highway funds were loaned to any other funds. Y/N, and if Y report whether amounts were repaid by the end of the following fiscal year. (ORS 294.050)

Not applicable - the municipal corporation has not spent highway funds during the fiscal year