

WASCO COUNTY 4-H & EXTENSION SERVICE DISTRICT

AGENDA

WEDNESDAY, MAY 15, 2024

LOCATION: This meeting will be held at 401 E. Third St., The Dalles, OR and will also be available for virtual attendance. You can join the meeting at <https://wascocounty-org.zoom.us/j/3957734524> or call in to [1-253-215-8782](tel:1-253-215-8782) Meeting ID: 3957734524#

NOTE: This Agenda is subject to last minute changes. **Meetings are ADA accessible.** For special accommodations please contact the Commission Office in advance, (541) 506-2520. TDD 1-800-735-2900. Wasco County does not discriminate against individuals with disabilities.

9:30 a.m.

CALL TO ORDER

9:30 a.m. 4-H Extension Services Audit

12.6.2023 Minutes Approval

NEW / OLD BUSINESS

ADJOURN



WASCO COUNTY 4H & EXTENSION SERVICE DISTRICT MEETING

May 15, 2024

PRESENT: Steven D. Kramer, Commission Chair
Scott C. Hege, Vice-Chair
Philip L. Brady, County Commissioner

STAFF: Kelly Walker, Executive Assistant
Tyler Stone, Wasco County Administrative Officer

At 9:32 a.m. Chair Kramer opened the meeting.

Wasco County 4-H & Extension Service District Audit

Wasco County Finance Director Mike Middleton reviewed the audit report included in the Board Packet.

Vice-Chair Hege pointed out that there was an increase of approximately \$68,000 in revenue due to a major commercial property coming on the tax rolls. He commented that there are benefits at the end of the agreements that the City and County have entered into. He said he's happy to see this happening, as it's a significant financial boost for the districts.

Commissioner Brady commented that it is actually reassuring that the auditors found something small, as it shows they are looking and that they're doing a thorough job.

Minutes

{{Vice-Chair Hege moved to approve the December 6, 2023 Minutes. Commissioner Brady seconded the motion which passed unanimously.}}

The 4-H Extension's Administrative Office Manager Chelsie Gibson gave an update on some of their programs. She reported that they are thriving and are ramping up for some exciting new opportunities over the Spring/Summer. She said that the 4-H Club and 4-H Stem-based programs are offering a lot of new opportunities for youth in the communities and added the programs offer classes in leatherworking, photography, cooking, sewing, cake decorating and robotics.

She pointed out that in the local paper, there's an article featuring robotic students from the high school and middle school in The Dalles who made it to World Championship Competition and placed within the top ten.

Ms. Gibson reported that the Horticulture and Egg programs are providing Spanish language safety training and bilingual farm first aid training, which have been well attended. She said that the Family and Community Health Program is expanding its Smoke Ready Initiative which will enable them to place mobile air quality monitors at every K-12 school in Hood River and Wasco Counties.

Ms. Gibson stated that the OSU Extension is at capacity for most of its classes, as they are very popular and they're continuing to identify educational gaps in the community so they can fill those gaps with relevant programming.

Commissioner Brady commented that he spoke with some of the students of the robotics programs and they are very proud of their work and that they will be moving forward in engineering careers. He asked where the classes are being held. Ms. Gibson replied that most of the classes are held at the Extension Office at the Columbia Gorge Community College campus. She added that they've also partnered with the South Wasco County Library to bring cooking classes in Maupin and occasionally, classes are held in the Dufur School. She said they have a new Makerspace at the middle school, as well.

Commissioner Brady commented that these extra programs are really needed, as school funding is being cut across the state. Ms. Gibson replied that they work to find those educational gaps and work with the schools on meeting those needs.

Vice-Chair Hege asked for a ballpark on how many youth are involved in the 4-H Club Programs. Ms. Gibson replied that she believes there are over 80 youth registered just for the Clubs program this year. She said they have over 250 volunteers and they give over 8,000 hours per year. Vice-Chair Hege commented that it's important for the community to know about the programs they provide; he thanked Ms. Gibson for all the work they do to provide these programs.

Chair Kramer adjourned the meeting at 9:46 a.m.

.

WASCO COUNTY 4H & EXTENSION SERVICE DISTRICT

MAY 15, 2024

PAGE 3

WASCO COUNTY BOARD
OF COMMISSIONERS

Governing Body of the Wasco County

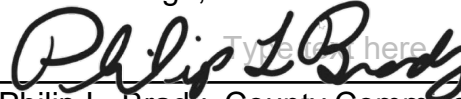
4H & Extension Service District



Steven D. Kramer, Commission Chair



Scott C. Hege, Vice-Chair



Philip L. Brady, County Commissioner



PAULY, ROGERS AND CO., P.C.
12700 SW 72nd Ave. ♦ Tigard, OR 97223
(503) 620-2632 ♦ (503) 684-7523 FAX
www.paulyrogersandcocpas.com

April 30, 2024

To the Board of Commissioners
Wasco County 4H and Extension Service District
Wasco County, Oregon

We have audited the basic financial statements of the governmental activities and major fund of Wasco County 4H and Extension Service District for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Purpose of the Audit

Our audit was conducted using sampling, inquiries and analytical work to opine on the fair presentation of the basic financial statements and compliance with:

- generally accepted accounting principles and auditing standards
- the Oregon Municipal Audit Law and the related administrative rules

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the basic financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the basic financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting.

Our responsibility for the supplementary information accompanying the basic financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the basic financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; therefore, our audit involved judgment about the number of transactions examined and the areas to be tested.

Our audit included obtaining an understanding of the District and its environment, including internal control, sufficient to assess the risks of material misstatement of the basic financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the District or to acts by management or employees acting on behalf of the District. We also communicated any internal control related matters that are required to be communicated under professional standards.

Results of Audit

1. Audit opinion letter - an unmodified opinion on the basic financial statements has been issued. This means we have given a “clean” opinion with no reservations.
2. State minimum standards – We found one exception regarding the City’s budget which is noted on page 12 of the report.
3. Management letter – No separate management letter was issued.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in Note 1 to the basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2022. We noted no transactions entered into during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the basic financial statements in the proper period.

Accounting estimates are an integral part of the basic financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the basic financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements or determined that their effects are immaterial. There were no immaterial uncorrected misstatements noted during the audit which were discussed with management. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even if, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the basic financial statements or the auditors’ report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

Pauly, Rogers and Co., P.C.

We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the basic financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year prior to our retention as the auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Required Supplementary Information

We applied certain limited procedures to the required supplementary information that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the required supplementary information and do not express an opinion or provide any assurance on it.

Other Information

We were not engaged to report on the other information, which accompanies the basic financial statements but is not required supplementary information. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Matters – Future Accounting and Auditing Issues

In order to keep you aware of new auditing standards issued by the American Institute of Certified Public Accountants and accounting statements issued by the Governmental Accounting Standards Board (GASB), we have prepared the following summary of the more significant upcoming issues:

GASB 99 – OMNIBUS 2022

The requirements of this Statement that are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

GASB 100 – ACCOUNTING CHANGES AND ERROR CORRECTIONS – an amendment of GASB 62

The requirements of this Statement are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated.

Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles.

GASB 101 – COMPENSATED ABSENCES

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability

Pauly, Rogers and Co., P.C.

should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

This information is intended solely for the information and use of the Board of Commissioners and management and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Kenny Allen", is positioned above the printed name.

Kenny Allen, CPA
Municipal Auditor
PAULY, ROGERS AND CO., P.C.

WASCO COUNTY 4-H AND EXTENSION SERVICE DISTRICT
(A COMPONENT UNIT OF WASCO COUNTY)
WASCO COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023



12700 SW 72nd Ave.
Tigard, OR 97223

**WASCO COUNTY 4-H AND EXTENSION SERVICE DISTRICT
(A COMPONENT UNIT OF WASCO COUNTY)
WASCO COUNTY, OREGON**

2022-2023

FINANCIAL REPORT

**BOARD OF DIRECTORS
WASCO COUNTY 4-H AND EXTENSION SERVICE DISTRICT
(A COMPONENT UNIT OF WASCO COUNTY)
JUNE 30, 2023**

Steve Kramer	Commission Chair
Scott Hege	Commissioner
Phil Brady	Commissioner
Kathy Clark	Executive Assistant

WASCO COUNTY 4-H AND EXTENSION SERVICE DISTRICT
(A COMPONENT UNIT OF WASCO COUNTY)
WASCO COUNTY, OREGON

T A B L E O F C O N T E N T S

**PAGE
NUMBER**

FINANCIAL SECTION:

INDEPENDENT AUDITORS' REPORT 1

REQUIRED SUPPLEMENTARY INFORMATION:

Management's Discussion and Analysis i-iv

BASIC FINANCIAL STATEMENTS:

Statement of Net Position 4

Statement of Activities 5

Balance Sheet- All Governmental Funds 6

Reconciliation of Balance Sheet to Statement of Net Position 7

Statement of Revenues, Expenditures and Changes in Fund Balances 8

Reconciliation of the Statement of Revenues, Expenditures and Changes
In Fund Balances to the Statement of Activities 9

Notes to the Basic Financial Statements 10

REQUIRED SUPPLEMENTARY INFORMATION:

Schedule of Revenues, Expenditures and Changes in Fund Balance

- Actual and Budget
General Fund 16

INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS 17



PAULY, ROGERS, AND CO., P.C.
12700 SW 72nd Ave. Tigard, OR 97223
(503) 620-2632 (503) 684-7523 FAX
www.paulyrogersandcocpas.com

April 30, 2024

Governing Board
Wasco County 4-H and Extension Service District
Wasco County, Oregon

INDEPENDENT AUDITORS' REPORT

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Wasco County 4-H and Extension Service District, a component unit of the Wasco County, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Wasco County 4-H and Extension Service District, a component unit of the Wasco County, as of June 30, 2023, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Wasco County 4-H and Extension Service District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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 Wasco County 4-H and Extension Service District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Wasco County 4-H and Extension Service District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Wasco County 4-H and Extension Service District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the listing of board members, located before the table of contents, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Reports on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated April 30, 2024, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

A handwritten signature in dark ink, appearing to read "Ken Allen", is positioned above the printed name and title.

Kenneth Allen, CPA
PAULY, ROGERS AND CO., P.C

WASCO COUNTY 4-H AND EXTENSION SERVICE DISTRICT
Management's Discussion and Analysis
Year Ended June 30, 2024

As management of the Wasco County 4-H and Extension Service District (the District), located in Wasco County, Oregon, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2023.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at June 30, 2023 by \$1,123,368 and the entire amount is unrestricted.
- Total net position increased \$56,232 from the prior fiscal year.
- As of June 30, 2023, the District's governmental fund reported an ending balance of \$1,100,396.
- The District had no debt as of June 30, 2023.

Overview of Financial Statements

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

Government-Wide Financial Statements

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

The *Statement of Net Position* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities* presents information showing how the District's net position changed during the fiscal year ended June 30, 2023. Changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of the related cash or other financial asset flows. Thus, revenues and expenses are reported in this statement for some items, for example, property taxes and accrued interest expense will result in cash flows in future fiscal periods.

Each of these government-wide financial statements – *Statement of Net Position* and *Statement of Activities* – show the functions of the District that are supported primarily by property taxes (*governmental activities*).

These reports are found following the Management's Discussion and Analysis.

Fund Financial Statements

A *fund* is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local government entities, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District fund is classified as a governmental fund.

Governmental Funds

Governmental funds are used to account for the same functions 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 resource*, as well as *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. Reconciliation from the Government Funds Balance Sheet to the Government-wide Statement of Net Position and reconciliation from the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Government-wide Statement of Activities have been included in this report.

The District reported activity in a governmental fund during the fiscal year ended June 30, 2023. Information is presented in the governmental fund Balance Sheet and in the governmental fund Statement of Net Revenues, Expenditures and Changes in Fund Balance for the District's fund.

The District adopts an annual budget for its fund. The budgetary comparison statement has been provided to demonstrate compliance with the annual budget.

The Basic Governmental Fund Financial Statements are found in this report after the Government-Wide statements.

Notes to the Financial Statements

The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements follow the Basic Governmental Fund Financial Statements in this report.

Other Information

Taxes from Wasco County are transferred to Oregon State University through a Memorandum of Understanding (MOU) between the District and Oregon State University. The current five year MOU is through June 30, 2025.

Government-wide Financial Analysis

Net position, at a specific point in time, serves as a useful indicator of an entity's financial position. In the case of the District, the net position is \$1,123,368 at June 30, 2023.

	Net Position	
	2022	2023
Current Assets		
Cash	\$ 1,041,473	\$ 1,297,755
Taxes Receivable	25,663	28,226
Total assets	1,067,136	1,325,981
Liabilities	-	202,613
Net Position		
Unrestricted	1,067,136	1,123,368
Total net position	\$ 1,067,136	\$ 1,123,368

The District's net position increased by \$56,232 during the year ended June 30, 2023. The net position of \$1,123,368 is all unrestricted. This is in pursuit of the long term goal of the District to accumulate an appropriate level of reserves to provide long-term financial stability for the District.

	Changes in Net Position	
	2022	2023
Revenue		
Property Taxes	\$ 625,160	\$ 726,579
Interest & Investment Earnings	6,497	32,710
Miscellaneous	8,692	190,921
Total Revenues	640,349	950,210
Expenditures		
Culture & Recreation	701,886	893,978
Total Expenditures	701,886	893,978
Change in Net Position	(61,537)	56,232
Beginning Net Position	1,128,673	1,067,136
Ending Net Position	\$ 1,067,136	\$ 1,123,368

General Fund Budgetary Highlights

There were no differences between the District's General Fund budget as originally adopted and the final amended budget. The General Fund actual revenues exceeded estimated revenues by \$182,399. Property taxes exceeded the budgeted by \$68,555 primarily due to a major commercial property coming on the tax rolls after the end of a 15 year tax abatement. Investment earning came in at \$27,923 over the

budget due to increased interest rates in the market. The expenditure budget for materials and services exceeded the adopted budget by \$13,854. This is due to the district receiving a grant that resulted in an additional \$18,640 expenditure for a project that was not part of the original budget. This resulted in exceeding the budget. A budget change could have been done specifically due to revenues coming in above the budget but the issue was not noticed until after the last quarterly contracted payment (that was budgeted) was paid.

Key economic Factors and Budgets Information for the Future

Wasco County's economic base is agriculture and the processing of agricultural products, particularly cherries, wheat and livestock. Other traditional industries have included forestry, manufacturing, electric power generation and transportation. Wasco County's economy has diversified from its traditional natural resource base to include a stronger focus on technology and manufacturing.

The rapid growth of renewable energy industries is driving additional employment through support industries and related manufacturing. The world's largest internet firm, Google, established a major operational center in The Dalles. The region is also home to a strong cluster of high tech companies supported through the efforts of the Gorge Technological Alliance.

Economic sectors related to tourism have also grown, supporting tourism throughout the County. Notably, Maupin's economy thrives in the summer with Deschutes River rafting and the communities of The Dalles and Mosier have recently benefited from an increase in cycling, food and beverage tourism through the efforts of local wineries, cafes, Gorge Grown Network and The Dalles Farmers Market.

As the largest community in the County, The Dalles serves as a retail and service hub for many surrounding counties. This results in strong employment in these industries as well as in government. Further expansion of the healthcare sector, with the expansion of Mid-Columbia Medical Center, has also positively impacted job growth in the County.

The current economy has not significantly affected the rate of property tax collections.

Comparative Analysis

The District's net position as of June 30, 2023 was \$1,123,368, an increase of \$56,232 from June 30, 2022. Expenditures increased from \$701,886 in fiscal year 2022 to \$893,978 in fiscal year 2023. This is continuing with the increased level of support in the areas identified in the Long-Term strategic plan approved by the District Advisory Committee.

Requests for Information

This financial report is designed to provide a general overview to those parties interested in the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed the Wasco County 4-H and Extension Service District, 400 Scenic Drive, Suite 2.278, The Dalles, Oregon 97058.

**WASCO COUNTY 4-H AND EXTENSION SERVICE DISTRICT
(A COMPONENT UNIT OF WASCO COUNTY)
WASCO COUNTY, OREGON**

BASIC FINANCIAL STATEMENTS

Wasco County 4-H and Extension Service District
Statement of Net Position
June 30, 2022
(all amounts are in dollars)

	Primary Government <u>Governmental Activities</u>
<u>ASSETS:</u>	
Cash & Investments	1,297,755
Taxes Receivable	<u>28,226</u>
<u>TOTAL ASSETS</u>	<u><u>1,325,981</u></u>
<u>LIABILITIES:</u>	
Accounts Payable	202,613
Due to Other Taxing Districts	<u>-</u>
<u>TOTAL LIABILITIES</u>	<u><u>202,613</u></u>
<u>NET POSITION</u>	
Unrestricted	<u>1,123,368</u>
<u>TOTAL NET POSITION</u>	<u><u>1,123,368</u></u>

The Accompanying Notes are an integral part of this Financial Statement

Wasco County 4-H and Extension Service District
Statement of Activities
For the year ended June 30, 2023
(all amounts are in dollars)

	PROGRAM REVENUES				NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	TOTAL GOVERNMENTAL ACTIVITIES
<u>FUNCTIONS/PROGRAMS</u>	<u>EXPENSES</u>				
Culture and Recreation	893,978	-	-	-	(893,978)
Total Government Activities	893,978	-	-	-	(893,978)
General Revenues:					
Property Taxes levied for General Purposes					726,579
Interest and Investment Earnings					32,710
Miscellaneous					190,921
Total General Revenues					950,210
Change in Net Position					56,232
Net Position, beginning					1,067,136
Net Position, ending					1,123,368

The Accompanying Notes are an integral part of this Financial Statement

Wasco County 4-H and Extension Service District
Balance Sheet
Governmental Funds
June 30, 2023
(all amounts are in dollars)

GENERAL

ASSETS:

Cash & Investments	1,297,755
Taxes Receivable	28,226
<u>TOTAL ASSETS</u>	<u>1,325,981</u>

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE

LIABILITIES:

Accounts payable	202,613
Due to Other Taxing Districts	-
<u>TOTAL LIABILITIES</u>	<u>202,613</u>

DEFERRED INFLOWS OF RESOURCES:

Unavailable Revenue - Taxes	22,972
<u>TOTAL DEFERRED INFLOWS OF RESOURCES</u>	<u>22,972</u>

FUND BALANCES:

Unassigned	1,100,396
<u>TOTAL FUND BALANCES</u>	<u>1,100,396</u>

<u>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>	<u>1,325,981</u>
---	------------------

The Accompanying Notes are an integral part of this Financial Statement

Wasco County 4-H and Extension Service District
Reconciliation of Balance Sheet to Statement of Net Position
June 30, 2023
(all amounts are in dollars)

Fund Balance - Governmental Funds	1,100,396
-----------------------------------	-----------

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

Unavailable revenue represents amounts that were not available to fund current expenditures and therefore are not reported in the government funds.	<u>22,972</u>
---	---------------

Net Position of Governmental Activities	<u><u>1,123,368</u></u>
---	-------------------------

The Accompanying Notes are an integral part of this Financial Statement

Wasco County 4-H and Extension Service District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the year ended June 30, 2023
(all amounts are in dollars)

	<u>GENERAL</u>
<u>REVENUES:</u>	
Property Taxes	727,785
Investment Earnings	32,710
Miscellaneous	190,921
<u>TOTAL REVENUES</u>	<u>951,416</u>
 <u>EXPENDITURES:</u>	
Current:	
<i>Culture & Recreation</i>	896,390
<u>TOTAL EXPENDITURES</u>	<u>896,390</u>
 Net Changes in Fund Balance	 55,026
 <u>FUND BALANCE - BEGINNING OF YEAR</u>	 <u>1,045,370</u>
 <u>FUND BALANCE - END OF YEAR</u>	 <u>1,100,396</u>

The Accompanying Notes are an integral part of this Financial Statement

Wasco County 4-H and Extension Service District
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance
of Governmental Funds to the Statement of Activities
For the year ended June 30, 2023
(all amounts are in dollars)

Net Change in Fund Balance	55,026
----------------------------	--------

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

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.

Change in deferred inflows of resources	<u>1,206</u>
---	--------------

Change in Net Position of Governmental Activities	<u><u>56,232</u></u>
---	----------------------

The Accompanying Notes are an integral part of this Financial Statement

**WASCO COUNTY 4-H AND EXTENSION SERVICE DISTRICT
(A COMPONENT UNIT OF WASCO COUNTY)
NOTES TO THE BASIC FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. THE FINANCIAL REPORTING ENTITY

In November 2006, Wasco County voters approved the creation of a 4-H and Extension Service District for Wasco County under ORS Ch. 451 with a formation date of July 1, 2007. The County Board of Commissioner consisting of three Commissioners, one whom serves as the Chair of the Board, is the governing body of the District. The District is a component unit of Wasco County, Oregon. In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The criteria for including potential component units within the County's reporting entity (as set forth in GASB No. 61) is financial accountability. Financial accountability is defined as appointment of a voting majority of the component unit's board and either the ability to impose will by the primary government or the possibility that the component unit will provide a financial benefit to, or impose a financial burden on, the primary government.

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for support. The District has no business-type activities or fiduciary funds.

Generally accepted accounting principles require that these financial statements present Wasco County 4-H and Extension Service District (the primary government) and all component units, if any. Component units, as established by the Government Accounting Standards Board (GASB) Statement 61, are separate organizations that are included in the District's reporting entity because of the significance of their operational or financial relationships with the District. All significant activities and organizations with which the District exercises oversight responsibility have been considered for inclusion in the basic financial statements. Wasco County 4-H and Extension Service District has no component units.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows, liabilities, and deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows, liabilities, and deferred inflows resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

All direct expenses are reported by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function.

**WASCO COUNTY 4-H AND EXTENSION SERVICE DISTRICT
(A COMPONENT UNIT OF WASCO COUNTY)
NOTES TO THE BASIC FINANCIAL STATEMENTS**

FUND FINANCIAL STATEMENTS

The accounts are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

GOVERNMENTAL FUND TYPES

Governmental funds are used to account for the general government activities. Governmental fund types use the flow of 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 (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Grant revenue is not considered available and, therefore, is not recognized until received. Expenditures are recorded when the liability is incurred.

Revenues susceptible to accrual are interest, state, county and local shared revenue and federal and state grants. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

This is the major governmental fund:

GENERAL FUND

This fund accounts for all financial resources and expenditures, except those required to be accounted for in another fund (there are no other funds). The principal revenue sources are property taxes.

C. BUDGET

A budget is prepared and legally adopted for each fund on the accrual basis of accounting in the main program categories required by the Oregon Local Budget Law. The budgets for all funds are adopted on a basis consistent with generally accepted accounting principles, except depreciation expense is not recorded in budgetary statements, capital outlay is expensed rather than capitalized, and debt principal is an expenditure. The District begins its budget process early in each fiscal year with the establishment of the budget committee. Recommendations are developed through late winter with the budget committee approving the budget in early spring. Public notices of the budget hearing are published generally in early spring with a public hearing being held approximately three weeks later.

The Board may amend the budget prior to adoption; however, budgeted expenses for each fund may not be increased by more than ten percent. The budget is adopted and appropriations are made no later than June 30th. The Appropriations Resolution contains amounts for personal services, materials and services, capital outlay, inter-fund transfers, debt service and contingency. This is the level of control for authorized expenditures. The level of expenditures is monitored throughout the year. Expenses cannot exceed the above appropriation levels. Appropriations lapse at fiscal year-end. Supplemental appropriations may occur if the board approves them due to a need, which was not determined at the time the budget was adopted. There were no supplemental appropriations during the year ended June 30, 2023. Budget amounts shown in the financial statements reflect the original budgeted amounts.

**WASCO COUNTY 4-H AND EXTENSION SERVICE DISTRICT
(A COMPONENT UNIT OF WASCO COUNTY)
NOTES TO THE BASIC FINANCIAL STATEMENTS**

Expenses of the various funds were within authorized appropriations for the year ended June 30, 2023 except for an overexpenditure of \$13,854 in Materials and Services.

D. INVESTMENTS

Investments are reported at fair value based on quoted market prices for securities purchased by the District and for cash reported by the investment pool in which the District participates. All investments held have readily available market prices. The change in fair value is reported in the statement of revenues, expenses and changes in net position as investment earnings. Realized gains or losses on the maturity or disposition of securities are not separately disclosed.

E. CAPITAL ASSETS

The District has no capital assets.

F. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net positions that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

G. NET POSITION

Net position represents the difference between assets and liabilities. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition of those assets. Net position is reported as restricted when there are limitations imposed on the use either through enabling legislation or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

H. CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, cash and cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash, and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally only investments with original maturities of three months or less meet this definition.

I. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United

**WASCO COUNTY 4-H AND EXTENSION SERVICE DISTRICT
(A COMPONENT UNIT OF WASCO COUNTY)
NOTES TO THE BASIC FINANCIAL STATEMENTS**

States of America 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 expenses during the reporting period. Actual results could differ from those estimates.

J. PROPERTY TAXES

Property taxes are assessed on a July 1 - June 30 fiscal year basis. The taxes are levied as of July 1 based on assessed values as of January 1. Property tax payments are due in three equal installments, on November 15, February 15 and May 15. A discount of 3% is available if taxes are paid in full by November 15 and a discount of 2% on the unpaid balance is available if taxes are paid in full by February 15. Property taxes attach as an enforceable lien July 1 and are considered delinquent if not paid by the following May 15. The Wasco County Treasurer is the tax collection agent for the District.

Tax revenue is considered available for expenditure upon receipt by the County, which serves as the intermediary collecting agency. Uncollected property taxes are shown on the General Fund balance sheet as receivables. Collections within 60 days subsequent to year-end have been accrued and the remaining taxes receivable are recorded as deferred inflows of resources on the modified accrual basis of accounting since they are not deemed available to finance operations of the current period.

K. FUND BALANCE REPORTING

The Governmental Accounting Standards Board (GAS B) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

1. *Nonspendable*, such as fund balance associated with inventories, prepaids, long-term loans and notes receivable and property held for resale (unless the proceeds are restricted, committed or assigned),
2. *Restricted* fund balance category includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers or through enabling legislation,
3. *Committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's governing board (the District's highest level of decision-making authority),
4. *Assigned* fund balance classification is intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed and
5. *Unassigned* fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

The District reduces restricted amounts first when expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) amounts are available. The District reduces committed amounts first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

**WASCO COUNTY 4-H AND EXTENSION SERVICE DISTRICT
(A COMPONENT UNIT OF WASCO COUNTY)
NOTES TO THE BASIC FINANCIAL STATEMENTS**

L. FAIR VALUE INPUTS AND METHODOLOGIES AND HIERARCHY

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based up on the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

- Level 1 – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access
- Level 2 – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market– corroborated inputs)
- Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund’s own assumptions used in determining the fair value of investments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

M. Long Term Obligations

In the government-wide financial statements long-term debt and other long term obligations are reported as liabilities in the Statement of Net Position. The District has no long term obligations. In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources. Principal and interest payments are reported as debt service expenditures when paid.

2. CASH AND INVESTMENTS

As of June 30, 2023, the District had a deposit of \$1,297,755 with the Wasco County Treasurer. All of the District's deposits were adequately secured during the year. See the County’s financial report for more information on FDIC coverages and collateralized amounts.

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates beyond the limits provided by State statute.

**WASCO COUNTY 4-H AND EXTENSION SERVICE DISTRICT
(A COMPONENT UNIT OF WASCO COUNTY)
NOTES TO THE BASIC FINANCIAL STATEMENTS**

Credit Risk

State law limits investments to obligations of the United States Treasury and United States Government agencies and instrumentalities, certain bankers' acceptances, repurchase agreements, certain high-grade commercial paper and corporate bonds and obligations of states and municipalities. The District has no investment policy that would further limit its investment choices. The District's deposit with the Wasco County Treasurer is not rated.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The deposit with the Wasco County Treasurer is not deemed to be a security, which is a transferable financial instrument that evidences ownership and is, therefore, not subject to custodial credit risk.

3. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and others; and natural disasters for which the District participates in Wasco County's insurance program. There have been no settlements in excess of insurance coverage and reserves in the past four fiscal years.

4. TAX ABATEMENTS

Wasco County 4-H and Extension Service District in conjunction with Wasco County has authorized tax-exempt status for three qualified firms within the County: Powder Pure, Hix The Dalles, and Design LLC. All properties are required to meet State and Federal funding requirements which include annual physical inspections and an annual audit of financial activity and programmatic compliance. The property tax exemption may be removed if the property is being used for any purpose other than the provisions of low income housing, or if the property is no longer eligible under the stated provisions of ORS 307.540 to 307.548. Section E of the renewal application requires the applicant to acknowledge compliance with the requirements annually. For fiscal year ending June 30, 2023, the foregone property tax revenue is \$357,233.

WASCO COUNTY 4-H AND EXTENSION SERVICE DISTRICT
WASCO COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

Wasco County 4-H and Extension Service District
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
General Fund
For the year ended June 30, 2023
(all amounts are in dollars)

	BUDGETED AMOUNTS			
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<u>REVENUES:</u>				
Property Taxes	659,230	659,230	727,785	68,555
Investment Earnings	4,787	4,787	32,710	27,923
Miscellaneous	105,000	105,000	190,921	85,921
<u>TOTAL REVENUES</u>	<u>769,017</u>	<u>769,017</u>	<u>951,416</u>	<u>182,399</u>
<u>EXPENDITURES:</u>				
Current:				
<i>Materials & Services</i>	882,537	882,537	896,391	(13,854)
Contingency	30,000	30,000	-	30,000
<u>TOTAL EXPENDITURES</u>	<u>912,537</u>	<u>912,537</u>	<u>896,391</u>	<u>16,146</u>
Net Changes in Fund Balance	(143,520)	(143,520)	55,025	198,545
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>1,096,834</u>	<u>1,096,834</u>	<u>1,045,370</u>	<u>(51,464)</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>953,314</u>	<u>953,314</u>	<u>1,100,395</u>	<u>147,081</u>

The Accompanying Notes are an integral part of this Financial Statement



PAULY, ROGERS, AND CO., P.C.
12700 SW 72nd Ave. Tigard, OR 97223
(503) 620-2632 (503) 684-7523 FAX
www.paulyrogersandcocpas.com

April 30, 2024

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the Wasco County 4-H and Extension Service District as of and for the year ended June 30, 2023, and have issued our report thereon dated April 30, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the Wasco County 4-H and Extension Service District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. As such, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

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

In connection with our testing nothing came to our attention that caused us to believe the Wasco County 4-H and Extension Service District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except for the following:

1. There was an instance where actual expenditures exceeded budgeted appropriations as noted on page 12.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the Wasco County 4-H and Extension Service District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the

Wasco County 4-H and Extension Service District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Wasco County 4-H and Extension Service District's internal control over financial reporting.

This report is intended solely for the information and use of the Board of Commissioners and Management of Wasco County 4-H and Extension Service District and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

A handwritten signature in dark ink, appearing to read "Ken Allen", is positioned above the printed name.

Kenneth Allen, CPA
PAULY, ROGERS AND CO., P.C.



WASCO COUNTY 4H & EXTENSION SERVICE DISTRICT MEETING

December 6, 2023

PRESENT: Steven D. Kramer, Commission Chair
Scott C. Hege, Vice-Chair
Philip L. Brady, County Commissioner

STAFF: Kathy Clark, Executive Assistant
Tyler Stone, Wasco County Administrative Officer

At 9:49 a.m. Chair Kramer opened the meeting.

Fiscal Year 2022 Audit

Wasco County Finance Director Mike Middleton reviewed the audit report included in the Board Packet. He explained that short staffing has caused the 2022 Audit to be significantly delayed. He stated that it is a clean audit with an unmodified opinion and no reservations. He noted that there are some new Government Accounting Standards that will be applied to next year's audit.

Vice-Chair Hege noted that the net change was negative. Commissioner Brady added that they have a large fund balance. Mr. Middleton explained that that was the intention from the outset. Chair Kramer stated that we knew, at some point, they would start drawing down on that balance which is starting to happen.

Budget Appointments

Ms. Clark explained that Budget Committee Appointments are made annually; all three of the current Committee members have agreed to serve for another term.

{{{Commissioner Brady moved to approve Orders 23-067, 23-069, and 23-069 reappointing Pat Davis, Ken Polehn and DeOra Patton to the Wasco County 4H & Extension Service District Budget Committee. He further moved to approve Order 23-063 reappointing Chelsie Gibson as Budget Officer for the Wasco County 4H & Extension Service District. Vice-Chair Hege seconded the motion which passed unanimously.}}}}

Minutes

{{Vice-Chair Hege moved to approve the June 7, 2023 Minutes. Commissioner Brady seconded the motion which passed unanimously.}}

Chair Kramer adjourned the meeting at 9:55 a.m.

WASCO COUNTY BOARD
OF COMMISSIONERS
*Governing Body of the Wasco County
4H & Extension Service District*

Steven D. Kramer, Commission Chair

Scott C. Hege, Vice-Chair

Philip L. Brady, County Commissioner



MOTION

SUBJECT: 4-H & Extension District Meeting Minutes

I move to approve the December 6, 2023 4-H & Extension Service District Minutes.