

Willow Creek Park District, Oregon
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
Year Ended June 30, 2020
AND ACCOUNTANT'S REVIEW REPORT

Willow Creek Park District, Oregon

OFFICERS AND MEMBERS OF THE GOVERNING BOARD June 30, 2020

<u>Name</u>	<u>Address</u>
Board of Directors:	
R. H. Matthews, President	155 Rock St. Heppner, OR 97836
Julie Baker, Secretary	PO Box 497 Heppner, OR 97836
Gary Propheter, Treasurer	PO Box 38 Heppner, OR 97836
Joe Armato	PO Box 570 Heppner, OR 97836
Betty Grey	PO Box 355 lone, OR 97843

Registered Agent:

R. H. Matthews

Registered Office:

155 Rock St.
Heppner, OR 97836

Willow Creek Park District, Oregon

Year Ended June 30, 2020

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FINANCIAL SECTION



INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Willow Creek Park District
Heppner, Oregon

We have reviewed the accompanying modified cash basis financial statements of the governmental activities and each major fund of Willow Creek Park District, Heppner, Oregon, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of Willow Creek Park District. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting.

Basis of Accounting

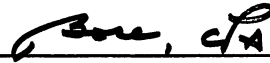
We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

Supplementary Information

The supplementary information included in the accompanying schedule listed in the table of contents 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 and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial

statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the information and, accordingly, do not express an opinion on such supplementary information.

The supplementary information included on page 23, titled Management Representation of Fiscal Affairs Required by Oregon Regulation, 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 not audited or reviewed such information and, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on it.

A handwritten signature in black ink, appearing to read "Bore, CPA", is positioned above a horizontal line.

A Member of
The RBH Group, LLC
Certified Public Accountants

Pendleton, Oregon
December 24, 2020

BASIC FINANCIAL STATEMENTS

Willow Creek Park District, Oregon

Statement of Net Position - Modified Cash Basis June 30, 2020

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 98,825
Investments	4,788
Capital assets	
Land	22,144
Construction in Progress	0
Other capital assets, net of accumulated depreciation	<u>795,216</u>
TOTAL ASSETS	<u><u>920,973</u></u>
LIABILITIES	
Payroll taxes withheld	<u>1,297</u>
TOTAL LIABILITIES	<u><u>1,297</u></u>
NET POSITION	
Net investment in capital assets	817,360
Restricted for culture and recreation	0
Restricted for debt service	0
Unrestricted	<u>102,316</u>
TOTAL NET POSITION	<u><u>\$ 919,676</u></u>

See accountant's review report.
The accompanying notes are an integral part of this statement.

Willow Creek Park District, Oregon

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS FOR THE YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ (83,552)	\$ 40,915	\$ 0	\$ 0	\$ (42,637)
Culture and recreation	(161,733)	27,813	3,700	0	(130,220)
Total governmental activities	<u>\$ (245,285)</u>	<u>\$ 68,728</u>	<u>\$ 3,700</u>	<u>\$ 0</u>	<u>(172,857)</u>
General revenues:					
Property taxes receipts					164,205
In-lieu of taxes					25,133
Investment earnings					212
Other income					0
Total general revenues					<u>189,550</u>
Change in net position					16,693
Net position - beginning of year					<u>902,983</u>
Net position - end of year					<u>\$ 919,676</u>

See accountant's review report.
The accompanying notes are an integral part of this statement.

Willow Creek Park District, Oregon

Balance Sheet - Modified Cash Basis Governmental Funds June 30, 2020

	General Fund
ASSETS	
Cash	\$ 98,825
Investments	4,788
Receivables:	
From other funds	0
Total assets	\$ 103,613
 LIABILITIES AND FUND BALANCES	
Liabilities:	
Payroll taxes withheld	\$ 1,297
Due to other funds	0
Total liabilities	1,297
Fund balances(deficit):	
Non-Spendable	0
Restricted	0
Committed	0
Assigned	85,000
Unassigned	17,316
Total Fund Balance	102,316
 Reconciliation to Statement of Net Position:	
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities of \$2,348,969, net of accumulated depreciation of \$1,531,609 are not financial resources and, therefore, are not reported in the funds.	817,360
Liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	0
Net position of governmental activities	\$ 919,676

See accountant's review report.
The accompanying notes are an integral part of this statement.

Willow Creek Park District, Oregon

Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis Governmental Funds Year Ended June 30, 2020

	<u>General Fund</u>
REVENUES:	
Taxes	\$ 164,205
In-lieu of taxes	25,133
Intergovernmental	3,700
Charges for services	68,728
Interest revenue	212
Donation received from private foundation	0
Other Income	<u>0</u>
 TOTAL REVENUES	 <u>261,978</u>
 EXPENDITURES:	
Current:	
General government	71,443
Culture and recreation	116,734
Special payments	5,000
Capital outlay	<u>25,586</u>
 TOTAL EXPENDITURES	 <u>218,763</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 <u>43,215</u>
 OTHER FINANCING SOURCES (USES)	
Operating transfers in	0
Operating transfers out	<u>0</u>
 TOTAL OTHER FINANCING SOURCES (USES)	 <u>0</u>
 NET CHANGE IN FUND BALANCES	 43,215
 FUND BALANCES - BEGINNING OF YEAR	 <u>59,101</u>
 FUND BALANCES - END OF YEAR	 <u>\$ 102,316</u>

(Continued)

See accountant's review report.
The accompanying notes are an integral part of this statement.

Willow Creek Park District, Oregon

(Continued)

Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis Governmental Funds Year Ended June 30, 2020

Reconciliation to the statement of activities:

Net change in fund balances - total governmental funds \$ 43,215

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

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital asset purchases capitalized	25,585
Depreciation expense	<u>(52,107)</u>
Change in net position of governmental activities	<u>\$ 16,693</u>

See accountant's review report.
The accompanying notes are an integral part of this statement.

Willow Creek Park District, Oregon

Notes to Financial Statements June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Willow Creek Park District was created in January 1988, under the provisions of Oregon Revised Statutes, Chapter 266, to provide park services in southern Morrow County. The governing body consists of a five-member board.

The accounting policies of Willow Creek Park District conform to the cash basis of reporting as applicable to municipal governments (see NOTE 1-C). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. To the extent they are applicable to the modified cash basis of accounting, the District applies all relevant GASB pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of these notes.

A. Scope of the Entity for Financial Reporting

In evaluating how to define the District for financial reporting purposes, the District has considered all potential component units. Based on the application of the criteria established by the Governmental Accounting Standards Board, there are no potential component units of the District.

B. Basis of Presentation

Under GASB 34, governmental financial statements generally include both government-wide and fund financial statements.

Government-wide financial statements include the Statement of Net Assets and the Statement of Activities, which display information about the District as a whole. They include all funds of the District.

Fund financial statements of the District are organized into funds, each of which is considered to be a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District functions or activities.

Willow Creek Park District, Oregon

Each fund is accounted for by a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues and expenditures/expenses.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types." The District has no funds in the proprietary or fiduciary category.

An emphasis is placed on major funds. A fund is considered major if it is the primary operating fund of the District or total assets, liabilities, revenues or expenditures of that individual governmental fund are at least 10 percent of the corresponding total for all governmental funds.

Governmental funds are used to account for a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of capital assets (capital projects funds), and the servicing of long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund. The District currently maintains the following fund:

The General Fund – This is the general operating fund of the District and is used to account for financial resources and expenditures except those required to be accounted for in another fund and is always classified as a major fund. Its major sources of revenues are a property tax levy and charges for services.

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "how" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

In the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting.

In the fund financial statements, the "current financial resources" measurement focus as applied to the modified cash basis of accounting is used. Generally, only current financial assets and liabilities are included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Willow Creek Park District, Oregon

Basis of Accounting

In the government-wide Statement of Net Position and the Statement of Activities and the fund financial statements, governmental activities are presented using the modified cash basis of accounting. This basis recognizes assets, liabilities, net position/fund balances, revenues, and expenses/expenditures when they result from cash transactions with a provision for depreciation in the government-wide statements. This basis is a financial reporting framework other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenues for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) *are not recorded* in these financial statements. Modifications of the cash basis having substantial support have been adopted and, accordingly, the District records: 1) property and equipment purchased for cash (or financed) as assets, 2) accumulated depreciation, and 3) liabilities and deferred charges arising from the receipt of borrowed cash.

If the District utilized the basis of accounting recognized as generally accepted, the government-wide financial statements would be presented on the accrual basis of accounting and the fund financial statements would be presented on the modified accrual basis of accounting.

D. Cash and Investments

Cash includes amounts in demand deposits and cash on hand.

State statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of the States of Oregon, Washington, Idaho and California, interest bearing bonds of certain local governmental units in the State of Oregon, bankers' acceptances, repurchase agreements, commercial paper with certain minimum ratings, and the state treasurer's investment pool.

E. Inventories

Inventories consist of supplies and also items for resale at the swimming pool snack shop. No physical inventory is taken during the year. Inventories remain at a relatively low constant value. The cost of inventory has been recorded as expenditure at the time individual inventory items were purchased, which is in accordance with the cash basis of accounting. Accordingly, a value for inventory is not included in the accompanying financial statements.

Willow Creek Park District, Oregon

F. Capital Assets

Capital assets are those assets having initial useful lives extending beyond a single reporting period. The capital assets consist of equipment, building and land. In the government-wide financial statements, capital assets arising from cash transactions are accounted for as assets in the Statement of Net Position. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the capital assets.

Depreciation of all exhaustible capital assets arising from cash transactions is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold of \$1,000 is used to report capital assets. The range of estimated useful lives by type of asset is as follows:

Buildings	50 years
Improvements other than buildings	10-30 years
Machinery, furniture and equipment	5-20 years

In the fund financial statements, capital assets arising from cash transactions acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

G. Compensated Absences

Accrued compensated absences are not reported under cash basis accounting.

H. Long-term Obligations

All long-term debt arising from cash transactions is reported as a liability in the government-wide statements, but is not reported as a liability in the fund financial statements. Instead the debt proceeds are reported as other financial sources and payment of principal and interest reported as expenditures. The District does not currently have any long-term obligations as the general obligation bond was paid off in fiscal year 2016.

Willow Creek Park District, Oregon

I. Equity Classification

In the government-wide financial statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – This represents the balance of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

It is the District’s policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

In the fund financial statements, governmental fund equity is classified as described in Note 11.

J. Revenues

In the Statement of Activities, modified cash basis revenues that are derived directly from the activity or from parties outside the District’s taxpayers are reported as program revenues. The District program activity includes charges for services relating to the use of the RV Park and the swimming pool. All other revenues are reported as general. All taxes are classified as general revenue even if restricted for a specific purpose.

K. Property Taxes

Property taxes attach as an enforceable lien on real property as of July 1st. Taxes are levied on July 1st and payable in three installments on November 15th, February 15th and May 15th. Taxes are billed and collected by Morrow County and remitted to the District at periodic intervals. Property taxes are recognized when received under the cash basis of accounting.

Willow Creek Park District, Oregon

L. Use of Estimates

The preparation of financial statements in conformity with the special purpose framework used by the District requires management to make estimates and assumptions that affect certain reported amounts and disclosures (such as estimated useful lives in determining depreciation expense); accordingly, actual results could differ from those estimates.

NOTE 2: LEGAL COMPLIANCE

There were unfavorable budget variances as follows:

- Expenditures for debt service in the General fund in the amount of \$303

NOTE 3: DEPOSITS AND INVESTMENTS

Cash and investments are recorded at cost, which approximates fair market value, at June 30, 2020. Cash and investments of the District at June 30, 2020 were:

Cash in Bank – Bank of Eastern Oregon	\$ 98,348
Cash in Morrow County Treasury Pool	4,788
Cash held by bond paying agent (US Bank)	-
Cash on hand	<u>477</u>
Total	<u>\$ 103,613</u>

Cash and investments are reflected in the basic financial statements as follows:

Cash	\$ 98,825
Investments	<u>4,788</u>
Total	<u>\$ 103,613</u>

Deposits: Deposits with financial institutions are comprised of bank demand deposits. The total bank balance per bank statements was \$100,289 at year-end. The District's deposits at year-end were entirely covered by federal depository insurance. ORS 295 sets collateralization requirements for Oregon public funds. District deposits exceeding federal depository insurance are afforded protection through the Public Funds Collateralization Program, which is a shared liability structure for participating depositories established by the state treasurer to facilitate compliance with ORS 295.

Willow Creek Park District, Oregon

Investments: The District had funds at year end in an investment maintained by Morrow County. The carrying amount was \$4,788 and the fair value was \$4,788. In accordance with the modified cash basis of accounting, these investments are carried at cost. The fair value for the county investment was computed based on the method used for the LGIP because the majority of the county funds are invested in the LGIP. The Local Government Investment Pool (LGIP) is an open-ended, no-load diversified portfolio offered to eligible participants, including any municipality, political subdivision, or public corporation of the state. Local government pooled assets are reported as an Investment Trust Fund in Oregon's Comprehensive Annual Financial Report. The Oregon Short-Term Fund Board, established by the Oregon Legislature, advises the Oregon Investment Council and the Oregon State Treasury in the management and investments of the LGIP. The state of Oregon LGIP is not registered with the U.S. Securities and Exchange Commission as an investment company and is not rated by any national rating service. The OSTF financial statements and the OSTF Portfolio Rules and can be obtained at www.ost.state.or.us.

Credit Risk: The District's funds on deposit in trust with the Morrow County Treasurer are insured by the County Treasurer, who has responsibility for maintaining collateral on those deposits. In addition, the County Treasurer, who is responsible for the regulatory oversight of the pool, distributes investment income on an amortized cost basis and participant's equity in the pool is determined by the amount of participant deposits, adjusted for withdrawals and distributed income.

Concentration Risk: The District has concentrations in the following investments: Morrow County Treasury Pool: 100%.

Interest Rate Risk: The District does not have a formal investment policy that explicitly limits investment maturities as a means of managing its exposure to fair value loss arising from increasing interest rates.

Willow Creek Park District, Oregon

NOTE 4: CAPITAL ASSETS

Capital asset activity, resulting from modified cash basis transactions, for the fiscal year ended June 30, 2020, was as follows:

	Balance at July 1, 2019	Additions	Deductions	Balance at June 30, 2020
Capital assets not being depreciated:				
Land	\$ 22,144	\$ -	\$ -	\$ 22,144
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>22,144</u>	<u>-</u>	<u>-</u>	<u>22,144</u>
Other capital assets:				
Leasehold improvements - Land & Building	470,945	-	-	470,945
Leasehold improvements - Dock	18,312	-	-	18,312
Swimming pool facility	1,716,992	-	-	1,716,992
Equipment	96,302	25,586	1,312	120,576
Total other capital assets	<u>2,302,551</u>	<u>25,586</u>	<u>1,312</u>	<u>2,326,825</u>
Less accumulated depreciation for:				
Leasehold improvements - Land & Building	376,343	5,421	-	381,764
Leasehold improvements - Dock	18,312	-	-	18,312
Swimming pool facility	1,040,605	37,113	-	1,077,718
Equipment	45,554	9,573	1,312	53,815
Total accumulated depreciation	<u>1,480,814</u>	<u>52,107</u>	<u>1,312</u>	<u>1,531,609</u>
Other capital assets, net	<u>821,737</u>	<u>(26,521)</u>	<u>-</u>	<u>795,216</u>
Capital assets, net	<u>\$ 843,881</u>	<u>\$ (26,521)</u>	<u>\$ -</u>	<u>\$ 817,360</u>

Depreciation expense of \$7,106 was charged to the general government function and \$45,000 was charged to the culture and recreation function in the statement of activities.

Willow Creek Park District, Oregon

NOTE 5: SHORT-TERM DEBT

The District has a revolving line of credit, which it uses to cover normal operating expenses when tax turnovers and service revenue are insufficient to cover them. Bank advances on the credit line are payable on demand; if no demand is made they are due in full on June 30, 2020. Advances carry an interest rate of 6.95%. The credit line is unsecured. This line of credit had a zero balance as of June 30, 2020. Interest expense incurred was \$1,303 during the year.

During the year ended June 30, 2020 the following changes occurred in short-term liabilities:

Credit Line	<u>July 1, 2019</u> \$ <u>-0-</u>	<u>Advances</u> \$ <u>45,000</u>	<u>Payments</u> \$ <u>45,000</u>	<u>June 30, 2020</u> \$ <u>-0-</u>
Totals	\$ <u>-0-</u>	\$ <u>45,000</u>	\$ <u>45,000</u>	\$ <u>-0-</u>

NOTE 6: TAX ABATEMENT DISCLOSURES

GASB 77 requires governments that enter into tax abatement agreements to disclose information about those agreements. The District is subject to property tax abatements granted by The State of Oregon and Morrow County through the Strategic Investment Program. The purpose of this program is to increase business activity and employment in Morrow County. The District is directly impacted by the following tax abatements at June 30, 2020:

District	Exemption Program	Project	Tax Abatement Amount	In lieu of Monies Received
Willow Creek Park District	Strategic Investment Program	Willow Creek Energy	\$ 9,177.56	\$ 2,361.61
	Strategic Investment Program	Echo Project	6,657.71	8,240.81
	Strategic Investment Program	Caithness Shepard Flats	77,739.04	12,921.65
Total			\$ 93,574.31	\$ 23,524.07

NOTE 7: 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 natural disasters. The District has joined together with other special districts in Oregon to form Special District Insurance Services (SDIS), a public entity risk pool currently operating as a common risk management and insurance program for member special districts. The District pays an annual premium to SDIS for its property, liability, automobile physical damage, and workers' compensation insurance. SDIS is self-sustaining through member premiums but reinsures through commercial companies for property and liability coverage.

Willow Creek Park District, Oregon

NOTE 8: COMMITMENTS

The District has entered into a lease with the Secretary of the Army effective September 1, 1993, renewed September 1, 2018, and ending on August 31, 2043, which includes the land occupied by the District's RV and day parks as well as improvements made by the U.S. Army Engineers to the day park, such as the asphalt parking lot and road, restrooms and a concrete boat ramp. The District is committed under the lease to conform with regulations issued by the Secretary of the Army and to maintain the premises in accordance with the U.S. Army Engineers' Master Plan and General Development Plan as well as a mutually agreed upon Annual Management Program. The lease requires a minimum amount of liability insurance and directs that all monies received by the District from operations conducted on the premises must be utilized by the District for the administration, maintenance, operation and development of the premises. Beginning September 1, 1998, and at five-year intervals, any such monies not utilized shall be paid to the U.S. Army Engineers. Unless removed, the leasehold improvements made by the District will revert to the U.S. Government on termination of the lease.

Also, on July 1, 2006 the District formally committed to make annual payments, to the extent its budget allows, of up to \$10,000 for the fiscal year beginning July 1, 2006 to Lone School District for the support of the swimming pool in Lone. The District made one payment of \$5,000 in the fiscal year ended June 30, 2020.

Finally, on April 6, 2020, the District entered into a contract with Stripe Rite Inc to perform maintenance on the parking lot surfaces at the RV Park and Pool in the amount of \$45,555. The work was completed after the fiscal year end.

NOTE 9: CONTINGENCIES

The COVID-19 outbreak in the United States has caused disruption through mandated and voluntary closure of government and business activities. These developments are expected to negatively impact District revenues. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. However, the related financial impact and duration cannot be reasonably estimated at this time.

NOTE 10: RELATED PARTIES

The bookkeeper for the District is also the executive Director of The Howard and Beth Bryant Foundation, the grantor for the continuing upkeep of the Fit Park. The District Board of Directors is aware of the relationship.

The son of the bookkeeper is a member of the District Board of Directors.

Willow Creek Park District, Oregon

NOTE 11: FUND BALANCE

GASB Statement No. 54 requires analysis and presentation of fund balance in five categories. The fund balance categories are:

- Non-Spendable – Includes items not immediately converted to cash, such as prepaid items and inventory.
- Restricted – Includes items that are restricted by external creditors, grantors or contributors, or restricted by legal constitutional provisions.
- Committed – Includes items committed by the District’s Board of Directors, by formal board action.
- Assigned – Includes items assigned for specific uses, authorized by any member of the Board of Directors.
- Unassigned – This is the residual classification used for those balances not assigned to another category.

Willow Creek Park District, Oregon

Following is a schedule of ending fund balance, based on GASB Statement No. 54:

	<u>General</u>
Fund Balance:	
<u>Nonspendable:</u>	
Due from other funds	\$ -
	-
<u>Restricted:</u>	
Debt service	-
Culture and Recreation	-
	-
<hr/>	
<u>Committed to:</u>	
Other purposes	-
	-
<u>Assigned to:</u>	
Appropriated fund balance carryover	85,000
	85,000
<u>Unassigned:</u>	17,316
Total Fund Balances	<u>\$ 102,316</u>

The Board did not make any assignments of fund balance, other than the appropriated fund balance carryover. Grant proceeds remaining at year end are restricted funds. Fund balance assignments can be done at any time, including after the fiscal year end date.

Finally, GASB 54 requires a spending policy, as it relates to the ending fund balance. The spending policy states in what order the fund balance categories are spent. This is the fund balance order of spending:

1. Restricted Fund Balance
2. Committed Fund Balance
3. Assigned Fund Balance
4. Unassigned Fund Balance

SUPPLEMENTAL INFORMATION

Willow Creek Park District, Oregon

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Cash Basis - General Fund Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Taxes	\$ 157,552	\$ 157,552	\$ 164,205	\$ 6,653
In-lieu of taxes	0	0	25,133	25,133
Intergovernmental	3,700	3,700	3,700	0
Charges for Services	53,946	53,946	68,728	14,782
Interest revenue	0	0	212	212
Donation received from private foundation	0	0	0	0
Other income	31,500	31,500	0	(31,500)
Total Revenues	246,698	246,698	261,978	15,280
EXPENDITURES:				
Personal Services:				
Personal services	115,000	115,000	97,549	17,451
	115,000	115,000	97,549	17,451
Materials and services:				
Operating supplies	22,996	22,996	20,742	2,254
Pool chemicals	8,000	8,000	3,110	4,890
Water and sewer	16,000	16,000	7,833	8,167
Garbage services	1,800	1,800	2,355	(555)
Electric power and telephone	33,000	33,000	35,004	(2,004)
Insurance, liability, bonds and workers comp	12,000	12,000	6,198	5,802
Maintenance	12,500	12,500	4,867	7,633
Groundskeeping	5,302	5,302	0	5,302
Accounting and legal services	7,500	7,500	5,694	1,806
Marketing	3,500	3,500	2,691	809
Training	1,500	1,500	950	550
Licenses and permits	3,300	3,300	554	2,746
Bank fees	100	100	0	100
Auto	100	100	226	(126)
Drug testing	100	100	0	100
	127,698	127,698	90,224	37,474
Special Payments:				
Ione School District	5,000	5,000	5,000	0
Community Outreach	0	0	0	0
	5,000	5,000	5,000	0
Capital outlay:				
Infrastructure	18,000	18,000	0	18,000
Equipment	30,000	30,000	25,585	4,415
	48,000	48,000	25,585	22,415
Debt service:				
Principal	0	0	0	0
Interest and fiscal charges	1,000	1,000	1,303	(303)
	1,000	1,000	1,303	(303)
Contingency				
	0	0	0	0
Total Expenditures	296,698	296,698	219,661	77,037
Excess of revenues over (under) expenditures	(50,000)	(50,000)	42,317	92,317
OTHER FINANCING SOURCES (USES):				
Operating transfer in	0	0	0	0
Operating transfer out	0	0	0	0
Excess of revenues and other sources over (under) expenditures and other uses	(50,000)	(50,000)	42,317	92,317
FUND BALANCE - BEGINNING OF YEAR	50,000	50,000	61,295	11,295
FUND BALANCE - END OF YEAR	\$ 0	\$ 0	\$ 103,612	\$ 103,612

See accountant's review report.

Willow Creek Park District, Oregon

Notes to Budgetary Comparison Schedules June 30, 2020

Budgets and Budgetary Accounting

Oregon Local Budget Law establishes standard procedures relating to the preparation, adoption, and execution of the annual budget. The budgetary fiscal period coincides with the annual reporting period (July 1 through June 30). Appropriated budgets are adopted by the executive body and, accordingly, used as a management control device for all funds. The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The administrator (budget officer) submits to the executive body a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenses and the means of financing them, along with estimates for the current year, and actual data for the two preceding years.
2. The budget is published in the local newspaper and a public hearing is conducted to obtain taxpayer comments.
3. By June 30, the appropriated budget is legally enacted through passage of a resolution. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total personal services, material and services, capital outlay, operating transfers, debt service, and special payments are the levels of control.
4. Original appropriations may be increased or decreased, through resolutions by transferring amounts between appropriations in the same fund. The final appropriated budget is not significantly different than that of the original budget.
5. A supplemental budget is needed to increase legal appropriations when appropriation transfers are unauthorized.
6. Unused appropriations for all of the budgeted funds lapse at the end of the year.
7. The budget is prepared and adopted for each fund in accordance with the cash basis of accounting, under which revenues and related assets are recognized when received rather than when earned, and expenditures or expenses, as appropriate, are

Willow Creek Park District, Oregon

recognized when paid rather than when the obligation is incurred. Accordingly, the schedule of revenues, expenditures, and changes in fund balance – budget and actual – cash basis presents comparisons of legally adopted budgets with actual data on a cash basis. Since accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial statements on the modified cash basis of accounting, a reconciliation of resultant differences in fund balance as of June 30, 2020, is presented below:

	<u>General Fund</u>
Fund Balance - budgetary basis	\$ 103,612
Adjustments:	
Accounts payable - capital assets	-
Payroll taxes withheld	<u>(1,297)</u>
Fund Balance - modified cash basis	<u><u>\$ 102,315</u></u>

**MANAGEMENT REPRESENTATION OF FISCAL AFFAIRS
REQUIRED BY OREGON REGULATION**

**WILLOW CREEK PARK DISTRICT
PO BOX 582
HEPPNER, OR 97836**

**Management Representation of Fiscal Affairs
Required by Oregon Regulation**

The Willow Creek Park 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 the Municipal Audit Law (ORS Chapter 297) and the Minimum Standards for Review 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.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

The management of Willow Creek Park 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 except for the following:

- There were unfavorable budget variances as follows:
 - Expenditures for debt service in the General fund in the amount of \$303

RH Matthey
Signature

WCPD Board Pres.
Title

12/31/2020
Date