CLATSOP COUNTY RURAL LAW ENFORCEMENT DISTRICT

Astoria, Oregon

ANNUAL FINANCIAL REPORT

June 30, 2023

CLATSOP COUNTY RURAL LAW ENFORCEMENT DISTRICT
Astoria, Oregon

DISTRICT OFFICIALS

June 30, 2023

BOARD OF COMMISSIONERS

Mark Kujala, Chair
800 Exchange Street, Suite 410
Astoria, Oregon 97103

Courtney Bangs, Vice Chair
800 Exchange Street, Suite 410
Astoria, Oregon 97103

John Toyooka
800 Exchange Street, Suite 410
Astoria, Oregon 97103

Lianne Thompson
800 Exchange Street, Suite 410
Astoria, Oregon 97103

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800 Exchange Street, Suite 410
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REGISTERED AGENT

Don Bohn, County Manager
800 Exchange Street, Suite 410
Astoria, Oregon 97103

CLATSOP COUNTY RURAL LAW ENFORCEMENT DISTRICT
Astoria, Oregon

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FINANCIAL SECTION

KOONTZ, BLASQUEZ & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Clatsop County Rural Law Enforcement District
Astoria, Oregon 97103

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the major fund of Clatsop County Rural Law Enforcement District, Astoria, Oregon, a component unit of Clatsop County, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of Clatsop County Rural Law Enforcement District as of June 30, 2023, and the respective changes in financial position thereof 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 auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Clatsop County Rural Law Enforcement 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

Clatsop County Rural Law Enforcement District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Clatsop County Rural Law Enforcement 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.

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Auditor's 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 auditor's 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 GAAS 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 GAAS, 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 Clatsop County Rural Law Enforcement 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 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 and budgetary comparison information on pages 4 through 9 and 27, respectively, 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 management's discussion and analysis 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 management's discussion and analysis because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Clatsop County Rural Law Enforcement District's basic financial statements. The schedule of property tax transactions is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of property tax transactions 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.

Report on Other Legal and Regulatory Requirements

In accordance with the Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 13, 2023 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.

Koontz, Blasquez & Associates, P.C.

By: Debra L. Blasquez
Debra L. Blasquez, CPA

Albany, Oregon
December 13, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

CLATSOP COUNTY RURAL LAW ENFORCEMENT DISTRICT
Astoria, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

INTRODUCTION

As management of Clatsop County Rural Law Enforcement District, Astoria, Oregon, we offer readers this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2023. It should be read in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- At June 30, 2023, total net position of Clatsop County Rural Law Enforcement District amounted to $2,578,572. Of this amount, $380,708 was invested in capital assets and the remaining balance of $2,197,864 was unrestricted.

- The District's total net position increased by $192,203 during the current fiscal year.

- Overall revenues were $3,131,807, which exceeded total expenses of $2,939,604 by $192,203.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Clatsop County Rural Law Enforcement District's basic financial statements. The District's basic financial statements are comprised of 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 most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

The government-wide financial statements can be found on pages 10 through 11 of this report.

Fund Financial Statements

The fund financial statements are designed to demonstrate compliance with finance-related legal requirements overseeing the use of fund accounting. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives. The only fund of Clatsop County Rural Law Enforcement District is a governmental fund.

- **Governmental Funds**

  Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements; however, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of available resources, as well as on balances of available resources at the end of the fiscal year. Such information may be useful in evaluating the District'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 the 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 District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

  The District maintains one governmental fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, which is considered to be a major governmental fund.

  Clatsop County Rural Law Enforcement District adopts an annual appropriated budget for the General Fund. A budgetary comparison statement has been provided to demonstrate compliance with the budget.

  The basic governmental fund financial statements can be found on pages 12 through 15 of this report.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the financial data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 16 through 26 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, which includes budgetary comparison information for the General Fund. This required supplementary information can be found on page 27 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. At June 30, 2023, the District's assets exceeded liabilities by $2,578,572.

A portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, and equipment). The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

District's Net Position

At the end of the current fiscal year, the District was able to report positive balances in all categories of net position. The District's net position increased by $192,203 during the current fiscal year.

Condensed statement of net position information is shown below.

Condensed Statement of Net Position

	Governmental Activities	
	2023	2022
Assets		
Current assets	$ 2,197,864	$ 2,044,716
Net capital assets	380,708	349,141
Total assets	2,578,572	2,393,857
Liabilities		
Current liabilities	-	7,488
Net position		
Net investment in capital assets	380,708	349,141
Unrestricted	2,197,864	2,037,228
Total net position	$ 2,578,572	$ 2,386,369

District's Changes in Net Position

The condensed statement of activities information shown below explains changes in net position.

Condensed Statement of Activities

	Governmental Activities	
	2023	2022
Program revenues		
Operating grants and contributions	$ 2,664	$ -
General revenues		
Property taxes	1,713,754	1,612,773
Strategic Investment Program taxes	111,941	111,490
Other taxes	423	-
Timber and land sales	1,203,801	1,017,763
Investment earnings	83,106	5,145
Miscellaneous	16,118	2,371
Total grants and contributions	3,129,143	2,749,542
Total revenues	3,131,807	2,749,542
Program expenses		
Public safety	2,939,604	3,147,753
Change in net position	192,203	(398,211)
Net position - beginning of year	2,386,369	2,784,580
Net position - end of year	$ 2,578,572	$ 2,386,369

FINANCIAL ANALYSIS OF THE DISTRICT'S FUND

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Fund

The focus of the District's governmental fund is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measurement of the District's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the District's governmental fund reported a fund balance of $2,136,361, an increase of $150,300 from the prior year. This entire amount constitutes unassigned fund balance, which is available for spending at the District's discretion.

BUDGETARY HIGHLIGHTS

Budget amounts shown in the financial statements reflect the original budget amounts.

The table below compares revenues and expenditures of the District to budgeted amounts used by the District to monitor performance during the year. The overall change in fund balance was budgeted at a net decrease of $1,845,030. Total actual revenues exceeded total expenditures by $150,300. The favorable variance of $1,995,330 can be largely attributed to expenditures being less than anticipated.

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Property taxes	$ 1,659,760	$ 1,703,418	$ 43,658
Strategic Investment Program taxes	108,600	111,941	3,341
Other taxes	-	423	423
Timber and land sales	1,083,570	1,203,801	120,231
Intergovernmental	-	2,664	2,664
Investment earnings	10,600	83,106	72,506
Miscellaneous	-	16,118	16,118
Total revenues	2,862,530	3,121,471	258,941
Expenditures			
Sheriff Rural Law Enforcement District			
Current			
Personnel services	2,395,150	2,122,707	(272,443)
Materials and services	753,300	695,362	(57,938)
Special payments	26,000	26,000	-
Capital outlay	128,400	127,102	(1,298)
Contingency	1,404,710	-	(1,404,710)
Total expenditures	4,707,560	2,971,171	(1,736,389)
Excess (deficiency) of revenues over (under) expenditures	(1,845,030)	150,300	1,995,330
Fund balance - beginning	1,910,350	1,986,061	75,711
Fund balance - ending	$ 65,320	$ 2,136,361	$ 2,071,041

The following denotes explanations for some of the major variances between budgeted and actual amounts above:

- Investment earnings were budgeted for $10,600. Actual revenues were $83,106 (684% over budget) due to an increase in interest rates from the previous fiscal year.

- Unbudgeted miscellaneous revenues amounted to $16,118 due to the sales of aged capital assets and insurance loss proceeds.

CAPITAL ASSETS

The District's investment in capital assets for its governmental activities as of June 30, 2023 amounted to $380,708, net of accumulated depreciation. This investment in capital assets includes buildings and improvements, equipment and vehicles, computer equipment, and tools and equipment. The total depreciation expense related to the District's investment in capital assets for its governmental activities during the current fiscal year was $96,990.

Additional information on the District's capital assets can be found in Note III-B on page 25 of this report.

KEY ECONOMIC FACTORS AND BUDGET INFORMATION FOR THE FUTURE

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that could affect its future financial health:

- The District expects continued reductions in a number of federal and state revenue sources.
- The District expects increases in personnel costs and retirement contributions.
- The District's reliance on timber revenues.

These factors were considered in preparing the District's budget for fiscal year 2023-2024.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be directed to the following address: Clatsop County Budget and Finance, 800 Exchange Street, Suite 310, Astoria, Oregon 97103.

BASIC FINANCIAL STATEMENTS

CLATSOP COUNTY RURAL LAW ENFORCEMENT DISTRICT
Astoria, Oregon

STATEMENT OF NET POSITION

June 30, 2023

	Governmental Activities
ASSETS	
Current assets	
Cash and cash equivalents	$ 2,109,641
Accounts receivable	10,027
Property taxes receivable	78,196
Total current assets	2,197,864
Capital assets, net of accumulated depreciation	380,708
Total assets	2,578,572
LIABILITIES	-
NET POSITION	
Net investment in capital assets	380,708
Unrestricted	2,197,864
Total net position	$ 2,578,572

The accompanying notes are an integral part of these financial statements.

CLATSOP COUNTY RURAL LAW ENFORCEMENT DISTRICT
Astoria, Oregon

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2023

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities					
Public safety	$ 2,939,604	$ -	$ 2,664	$ -	$ (2,936,940)
General revenues					
Property taxes					1,713,754
Strategic Investment Program taxes					111,941
Other taxes					423
Timber and land sales					1,203,801
Investment earnings					83,106
Miscellaneous					16,118
Total general revenues					3,129,143
Change in net position					192,203
Net position - beginning					2,386,369
Net position - ending					$ 2,578,572

The accompanying notes are an integral part of these financial statements.

CLATSOP COUNTY RURAL LAW ENFORCEMENT DISTRICT
Astoria, Oregon

BALANCE SHEET

GOVERNMENTAL FUND

June 30, 2023

	General Fund
ASSETS	
Cash and cash equivalents	$ 2,109,641
Accounts receivable	10,027
Property taxes receivable	78,196
Total assets	$ 2,197,864
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	
Liabilities	$ -
Deferred inflows of resources	
Unavailable revenue - property taxes	61,503
Fund balance	
Unassigned	2,136,361
Total liabilities, deferred inflows of resources, and fund balance	$ 2,197,864

The accompanying notes are an integral part of these financial statements.

CLATSOP COUNTY RURAL LAW ENFORCEMENT DISTRICT
Astoria, Oregon

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES

June 30, 2023

Total fund balance		$ 2,136,361
Capital assets are not financial resources and are therefore not reported in the governmental fund:		
Cost	1,291,980	
Accumulated depreciation	(911,272)	380,708
Property tax revenue is recognized in the net position of governmental activities when the taxes are levied; however, in the governmental fund statements, it is recognized when available to be used for current year operations. Taxes not collected within 60 days of the end of the year are not considered available to pay for current year operations and are therefore not reported as revenue in the governmental fund.		61,503
Net position of governmental activities		$ 2,578,572

The accompanying notes are an integral part of these financial statements.

CLATSOP COUNTY RURAL LAW ENFORCEMENT DISTRICT
Astoria, Oregon

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUND

For the Year Ended June 30, 2023

	General Fund
REVENUES	
Property taxes	$ 1,703,418
Strategic Investment Program taxes	111,941
Other taxes	423
Timber and land sales	1,203,801
Intergovernmental	2,664
Investment earnings	83,106
Miscellaneous	16,118
Total revenues	3,121,471
EXPENDITURES	
Current	
Public safety	2,844,069
Capital outlay	127,102
Total expenditures	2,971,171
Excess (deficiency) of revenues over (under) expenditures	150,300
Fund balance - beginning	1,986,061
Fund balance - ending	$ 2,136,361

The accompanying notes are an integral part of these financial statements.

CLATSOP COUNTY RURAL LAW ENFORCEMENT DISTRICT
Astoria, Oregon

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2023

Net change in fund balance		$ 150,300
Amounts reported for governmental activities on the statement of activities are different because:		
The governmental fund reports capital outlay as expenditures; however, on the statement of activities, the costs of these assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		
Expenditures for capital assets	128,557	
Less current year depreciation	(96,990)	
Disposals of capital assets	(72,614)	
Related accumulated depreciation	72,614	31,567
Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental fund. On the statement of activities, property taxes are recognized as revenue when levied.		10,336
Change in net position		$ 192,203

The accompanying notes are an integral part of these financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Clatsop County Rural Law Enforcement District have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental 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. Reporting Entity

Clatsop County Rural Law Enforcement District was formed for the purpose of enhancing law enforcement in the rural areas of Clatsop County. The District is reported as a component unit of Clatsop County.

Clatsop County Rural Law Enforcement District is managed by Clatsop County's five-member board of commissioners. In addition, the District has an elected five-member advisory board that makes budget recommendations to the County's budget committee.

B. Government-Wide and Fund Financial Statements

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 District.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) charges for goods and services provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. Property taxes, investment earnings, and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and have therefore been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental fund:

General Fund – The General Fund is the District's only fund. It accounts for all financial resources of the District.

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. Furthermore, committed fund balances are reduced 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 can be used.

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Equity

1. Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Equity (Continued)

1. Deposits and Investments (Continued)

State statutes authorize the District to invest in legally issued general obligations of the United States, the agencies and instrumentalities of the United States and the states of Oregon, Washington, Idaho, or California, certain interest-bearing bonds, time deposit open accounts, certificates of deposit, and savings accounts in banks, mutual savings banks, and savings and loan associations that maintain a head office or a branch in this state in the capacity of a bank, mutual savings bank, or savings and loan association, and share accounts and savings accounts in credit unions in the name of, or for the benefit of, a member of the credit union pursuant to a plan of deferred compensation.

2. Property Taxes

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic remittances of collection to entities levying taxes. Property taxes are levied and become a lien as of July 1 on property values assessed as of June 30. Property taxes are payable in three installments, which are due on November 15, February 15, and May 15.

Uncollected property taxes are shown as assets in the governmental fund. Property taxes collected within approximately 60 days of fiscal year end are recognized as revenue, while the remaining are recorded as unavailable revenue because they are not deemed available to finance operations of the current period.

3. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost where no historical records exist. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance or repairs that do not add to the value of an asset or materially extend its life are charged to expenditures as incurred and are not capitalized.

Major capital outlays for capital assets and improvements are capitalized as projects are constructed.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Equity (Continued)

3. Capital Assets (Continued)

Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Machinery and equipment	5
Buildings and improvements	40

4. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet 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 assets or fund balance that applies to a future period and therefore, will not be recognized as an outflow of resources until that time.

In addition to liabilities, the statement of net position and/or balance sheet 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 assets or fund balance that applies to a future period and therefore, will not be recognized as an inflow of resources until that time. The District has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only on the balance sheet. The governmental fund reports unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

5. Fund Balance

The District reports fund balance in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions.* The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance – amounts that are in nonspendable form (such as inventory) or are required to be maintained intact.

- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Equity (Continued)

5. Fund Balance (Continued)

- Committed fund balance – amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., board of commissioners). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest-level action to remove or change the constraint.

- Assigned fund balance – amounts the District intends to use for a specific purpose. Intent can be expressed by the board of commissioners or by an official or body to which the board of commissioners delegates the authority.

- Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

Commitment or assignment of fund balance is accomplished through adoption of a resolution or ordinance by the board of commissioners. Further, commitments and assignments of fund balance may be modified or rescinded only through approval of the board of commissioners via resolution or ordinance. Authority to assign fund balance has been granted to the Budget Officer.

The District has not formally adopted a minimum fund balance policy.

E. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may vary from those estimates.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The District budgets its fund in accordance with the requirements of state law. An annual appropriated budget is adopted for the General Fund. The fund is budgeted on the modified accrual basis of accounting.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

The District begins its budgeting process by appointing budget committee members. Management prepares a budget, which is reviewed by the budget committee. The budget is then published in proposed form and is presented at public hearings to obtain taxpayer comments and approval from the budget committee. The budget is legally adopted by the board of commissioners by resolution prior to the beginning of the District's fiscal year. The board resolution authorizing appropriations for the fund sets the level by which expenditures cannot legally exceed appropriations. Total personnel services, materials and services, debt service, capital outlay, and contingency for the fund are the levels of control established by the resolution. The detailed budget document, however, is required to contain more specific detailed information for the aforementioned expenditure categories and management may revise the detailed line-item budgets within appropriation categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution. Supplemental budgets less than 10% of the fund's original budget may be adopted by the board of commissioners at a regular board meeting. A supplemental budget greater than 10% of the fund's original budget requires hearings before the public, publication in newspapers, and approval by the board of commissioners. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by the board of commissioners. During the year, there were no supplemental budgets. The District does not use encumbrances and appropriations lapse at year end.

Budget amounts shown in the financial statements reflect the original budget amounts.

III. DETAILED NOTES ON THE FUND AND ALL ACCOUNT GROUPS

A. Deposits and Investments

Clatsop County Rural Law Enforcement District's deposits and investments are held by Clatsop County in a pool of cash and cash equivalents that is available for use by the District and all funds of the County. The District's fund's portion of this pool is displayed on the fund financial statements as cash and cash equivalents and investments. Interest earned on pooled cash and investments is allocated to participating funds based upon their combined cash and investment balances.

Investments, including amounts held in pooled cash and investments, are stated at fair value. In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, investments with a remaining maturity of more than one year at the time of purchase are stated at fair value.

III. DETAILED NOTES ON THE FUND AND ALL ACCOUNT GROUPS (Continued)

A. Deposits and Investments (Continued)

Fair Value Measurement – U.S. Treasury Securities

Fair value is defined as the price that would be received to sell an asset or price 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 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 quoted prices for identical investments in active markets.
- Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; observable inputs other than quoted market prices.
- Level 3 – Unobservable inputs that are supported by little or no market activity.

There were no transfers of assets or liabilities among the three levels of the fair value hierarchy for the year ended June 30, 2023.

Fair values of County assets measured on a recurring basis at June 30, 2023 are as follows:

	Credit Quality Rating	Level 1
U.S. Treasury securities	Aaa	$ 11,253,694

Fair Value Measurement – State of Oregon Local Government Investment Pool (LGIP)

Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value. The Oregon State Treasury administers the LGIP. The LGIP is an open-ended, no-load, diversified portfolio offered to any agency, political subdivision, or public corporation of the state that by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the state's short-term funds. To provide regulatory oversight, the Oregon Legislature established the Oregon Short-Term Fund Board and LGIP investments are approved by the Oregon Investment Council. The fair value of the County's position in the LGIP is the same as the value of the pool shares.

III. DETAILED NOTES ON THE FUND AND ALL ACCOUNT GROUPS (Continued)

A. Deposits and Investments (Continued)

As of June 30, 2023, the County had the following investments in the LGIP:

	Credit Quality Rating	Maturities	Fair Value
Oregon Local Government Investment Pool	Unrated	-	$ 44,995,487

As of June 30, 2023, the District's portion of Clatsop County investments amounted to $2,109,641.

Credit Risk

Oregon statutes authorize the County to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the LGIP. The County has adopted an investment policy that was reviewed by the Oregon Short-Term Fund Board and complies with state statutes.

Interest Rate Risk

The County's policy limits investment maturities to 18 months as a means of managing its exposure to fair value losses arising from increases in interest rates.

Concentration of Credit Risk

The County's policy places a limit on the amount that may be invested in any one insurer, as follows:

	Amount
Oregon Local Government Investment Pool	100%
Certificates of deposit	25%
United States Treasury bills, bonds, notes	25%
Banker's acceptance (BAs) OR issue	25%
Repurchase agreements (all to be fully collateralized by U.S. government and U.S. obligation mark to market)	10%

III. DETAILED NOTES ON THE FUND AND ALL ACCOUNT GROUPS (Continued)

A. Deposits and Investments (Continued)

Custodial Credit Risk – Investments

This is the risk that, in the event of the failure of a counterparty, the County will not be able to recover the value of its investments that are in the possession of an outside party. The County does not have a policy that limits the amount of investments that can be held by counterparties.

Custodial Credit Risk – Deposits

This is the risk that, in the event of a bank failure, the County's deposits may not be returned. All County deposits not covered by Federal Depository Insurance Corporation (FDIC) insurance are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon, organized in accordance with ORS 295. The PFCP is a shared liability structure for participating bank depositories. Barring any exceptions, a bank depository is required to pledge collateral valued at a minimum of 10% of their quarter-end public fund deposits if they are considered well capitalized, 25% of their quarter-end public fund deposits if they are considered adequately capitalized, or 110% of their quarter-end public fund deposits if they are considered undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities.

The County holds accounts at US Bank and Umpqua Bank, for which the FDIC provides insurance coverage of $250,000 for demand deposit accounts and an additional $250,000 for time and savings accounts, per institution. At June 30, 2023, the County had deposits of $309,516 insured by the FDIC and $2,650,724 covered by the PFCP.

Deposits

The County's deposits and investments and amounts allocable to the District at June 30, 2023 are as follows:

	Clatsop County	Allocable to District
Cash on hand	$ 14,880	$ -
Checking accounts	2,177,958	-
Investments		
Oregon Local Government Investment Pool	44,995,487	2,109,641
U.S. Treasury securities	11,253,694	-
Total deposits and investments	$ 58,442,019	$ 2,109,641

III. DETAILED NOTES ON THE FUND AND ALL ACCOUNT GROUPS (Continued)

B. Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets being depreciated				
Buildings and improvements	$ 79,153	$ -	$ -	$ 79,153
Equipment and vehicles	1,128,860	128,557	(72,614)	1,184,803
Computer equipment	16,739	-	-	16,739
Tools and equipment	11,285	-	-	11,285
Total capital assets being depreciated	1,236,037	128,557	(72,614)	1,291,980
Less accumulated depreciation for				
Buildings and improvements	(31,801)	(1,979)	-	(33,780)
Equipment and vehicles	(828,021)	(94,063)	72,614	(849,470)
Computer equipment	(16,739)	-	-	(16,739)
Tools and equipment	(10,335)	(948)	-	(11,283)
Total accumulated depreciation	(886,896)	(96,990)	72,614	(911,272)
Governmental activities capital assets, net	$ 349,141	$ 31,567	$ -	$ 380,708

Capital assets are reported on the statement of net position as follows:

	Capital Assets	Accumulated Depreciation	Net Capital Assets
Governmental activities			
Buildings and improvements	$ 79,153	$ (33,780)	$ 45,373
Equipment and vehicles	1,184,803	(849,470)	335,333
Computer equipment	16,739	(16,739)	-
Tools and equipment	11,285	(11,283)	2
Total capital assets	$ 1,291,980	$ (911,272)	$ 380,708

Depreciation expense was charged to the functions/programs of the District as follows:

Governmental activities	
Public safety	$ 96,990

IV. OTHER INFORMATION

A. 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; and natural disasters for which the District carries commercial insurance. There was no significant reduction in insurance coverage from the previous year. There were no insurance settlements exceeding insurance coverage in any of the past three years.

B. Retirement Plan

The District has no employees; however, employees of Clatsop County perform services for the District. Employees of the County participate in the Oregon Public Employees Retirement Fund (OPERF) administered by the Oregon Public Employees Retirement System (PERS) and the County's other postemployment benefits (OPEB). Detailed information concerning PERS and OPEB can be found in the County's 2023 annual comprehensive financial report.

C. Tax Abatements

As of June 30, 2023, the District had tax abatements through the Strategic Investment Program (SIP), pursuant to ORS 285C.600. The SIP offers a 15-year property tax exemption on a portion of large capital investments. Total abated property taxes under this program amounted to $140,563.

D. New Pronouncements

The Governmental Accounting Standards Board (GASB) has issued the following pronouncement that has a future effective date that will impact future financial presentations. Management has not currently determined what impact implementation of the following statement will have on future financial statements.

GASB Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*, will be effective for the District beginning with its fiscal year ending June 30, 2024. The 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 accessing accountability.

E. Subsequent Events

Management has evaluated subsequent events through December 13, 2023, which was the date that the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CLATSOP COUNTY RURAL LAW ENFORCEMENT DISTRICT
Astoria, Oregon

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended June 30, 2023

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual		
			Budget Basis	Adjustments	GAAP Basis
REVENUES					
Property taxes	$ 1,659,760	$ 43,658	$ 1,703,418	$ -	$ 1,703,418
Strategic Investment Program taxes	108,600	3,341	111,941	-	111,941
Other taxes	-	423	423	-	423
Timber and land sales	1,083,570	120,231	1,203,801	-	1,203,801
Intergovernmental	-	2,664	2,664	-	2,664
Investment earnings	10,600	72,506	83,106	-	83,106
Miscellaneous	-	16,118	16,118	-	16,118
Total revenues	2,862,530	258,941	3,121,471	-	3,121,471
EXPENDITURES					
Sheriff Rural Law Enforcement District					
Current					
Personnel services	2,395,150	(272,443)	2,122,707	-	2,122,707
Materials and services	753,300	(57,938)	695,362	-	695,362
Special payments	26,000	-	26,000	-	26,000
Capital outlay	128,400	(1,298)	127,102	-	127,102
Contingency	1,404,710	(1,404,710)	-	-	-
Total expenditures	4,707,560	(1,736,389)	2,971,171	-	2,971,171
Excess (deficiency) of revenues over (under) expenditures	(1,845,030)	1,995,330	150,300	-	150,300
Fund balance - beginning	1,910,350	75,711	1,986,061	-	1,986,061
Fund balance - ending	$ 65,320	$ 2,071,041	$ 2,136,361	$ -	$ 2,136,361

OTHER FINANCIAL SCHEDULES

CLATSOP COUNTY RURAL LAW ENFORCEMENT DISTRICT
Astoria, Oregon

SCHEDULE OF PROPERTY TAX TRANSACTIONS

For the Year Ended June 30, 2023

Tax Year	Taxes Receivable July 1, 2022	2022-2023 Levy	Adjustments	Collections	Taxes Receivable June 30, 2023
2022-2023	$ -	$ 1,744,105	$ (47,089)	$ 1,650,946	$ 46,070
2021-2022	36,187	-	(3,195)	15,914	17,078
2020-2021	14,059	-	(46)	5,366	8,647
2019-2020	8,556	-	(48)	4,063	4,445
2018-2019	2,723	-	(42)	2,250	431
2017-2018	379	-	(40)	96	243
2016-2017	216	-	(33)	58	125
Prior	1,418	-	(179)	82	1,157
			-		
Subtotal - Prior	63,538	-	(3,583)	27,829	32,126
Total	$ 63,538	$ 1,744,105	$ (50,672)	1,678,775	$ 78,196

Add:	
Other taxes and interest	24,643
Undistributed taxes with county, July 1, 2022	-
Total available	1,703,418
Less: Turnovers to District	(1,703,418)
Undistributed taxes with county, June 30, 2023	$ -

AUDIT COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS

KOONTZ, BLASQUEZ & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS

Board of Commissioners
Clatsop County Rural Law Enforcement District
Astoria, Oregon 97103

We have audited the basic financial statements of Clatsop County Rural Law Enforcement District as of and for the year ended June 30, 2023, and have issued our report thereon dated December 13, 2023. 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 Clatsop County Rural Law Enforcement 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 162-010-0000 through 162-010-0320 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 statement amounts. However, 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:

Accounting records

Deposit of public funds with financial institutions (ORS Chapter 295)

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)

Accountability for collecting or receiving money by elected officials

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(541) 926-5543 • (541) 967-9460 fax

In connection with our testing, nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, contracts, and grants, including the provisions of Oregon Revised Statutes, as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

The District does not have any elected officials collecting or receiving money.

OAR 162-010-0230 Internal Control

In planning and performing our audit, we considered Clatsop County Rural Law Enforcement District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Clatsop County Rural Law Enforcement District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Clatsop County Rural Law Enforcement 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 Clatsop County Rural Law Enforcement District and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

Koontz, Blasquez & Associates, P.C.

By: Debra L. Blasquez
Debra L. Blasquez, CPA

Albany, Oregon
December 13, 2023