

OWYHEE IRRIGATION DISTRICT
Nyssa, Oregon

ANNUAL FINANCIAL REPORT

For the Year Ended

December 31, 2021

OWYHEE IRRIGATION DISTRICT
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OWYHEE IRRIGATION DISTRICT
LIST OF DISTRICT BOARD MEMBERS
For The Year Ended December 31, 2021

District Board Members

Jerry Nagaki 5020 Pioneer Rd Zip:97914	Division 5	President Ontario, Oregon
Dan Tschida 4321 Community RD #R3 Zip:97914	Division 4	Vice-President Ontario, Oregon
Frank Ausman 872 Enterprise Ave Zip:97913	Division 2	Secretary Nyssa, Oregon
Eric White 2257 Hwy #201 Zip:97913	Division 1	Member Nyssa, Oregon
Bruce Corn 650 NW 20 th Ave #26 Zip:97914	Division 3	Member Ontario, Oregon

Registered Address

Administrative Office
106 Main Street
Nyssa, Oregon 97913

Registered Agent

Mike Horton

Administrators

Clancy Flynn	Vale, Oregon	Project Manager
Mike Horton	Nyssa, Oregon	Legal Counsel

Brian L. Richins, P.C.

Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

Owner:
Brian L. Richins
C.P.A.

To the Board of Directors
Owyhee Irrigation District
Nyssa, Oregon 97913

Opinions

We have audited the accompanying modified cash basis financial statements of the business-type activities and the aggregate discretely presented component units of Owyhee Irrigation District as of and for the year ended December 31, 2021, 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 financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the business-type activities and the aggregate discretely presented component units of the Owyhee Irrigation District as of December 31, 2021 and the respective changes in modified cash basis financial position and, where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Owyhee Irrigation 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.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on 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 opinions are not modified with respect to that matter.

Responsibilities of Management's 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 described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable

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Oregon Society of CPA's
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Staff:
Christopher Marlin
cmarlin@richinscpa.com

Services:
Income Tax Preparation
& Tax Planning
Individuals
Corporations
Partnerships
Financial Audits
Government Audits
Not-For-Profit Audits
Bookkeeping
Financial Planning
Estate Planning
Computer Accounting

INDEPENDENT AUDITOR'S REPORT – Continued

basis for preparation of the 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 statement that are free from material misstatement, whether due to fraud or error.

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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Owyhee Irrigation 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 Owyhee Irrigation District's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the budgetary comparison information but does not include the basic financial statements and our auditor's report thereon.

INDEPENDENT AUDITOR'S REPORT – Continued

Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated May 24, 2022, on our consideration of the District's 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

BRIAN L. RICHINS, P.C.
CERTIFIED PUBLIC ACCOUNTANT

By: *Brian L Richins*
Brian L. Richins, Shareholder

Fruitland, Idaho
May 24, 2022

BASIC FINANCIAL STATEMENTS

OWYHEE IRRIGATION DISTRICT

Statement of Net Position

December 31, 2021

(Modified Cash Basis)

Assets	<u><i>Enterprise Funds</i></u>	<u><i>Component Units</i></u>
Current Assets		
Cash and investments	\$ 2,371,481	\$ -
Total Current Assets	<u>2,371,481</u>	<u>-</u>
Capital Assets		
Irrigation system	12,886,182	-
Land	96,145	-
Irrigation improvements	4,002,379	-
Equipment	3,433,861	-
Dam power projects	2,944,614	31,266,768
Accumulated depreciation	(5,097,115)	(18,591,891)
Total Capital Assets	<u>18,266,066</u>	<u>12,674,877</u>
Other Assets		
Restricted cash	694,598	855,445
Due from other component units	-	14,937,476
Investment in power projects - Components	359,617	-
Total Other Assets	<u>1,054,215</u>	<u>15,792,922</u>
Total Assets	<u>\$ 21,691,762</u>	<u>\$ 28,467,797</u>
Liabilities		
Current Liabilities		
Compensated absences	197,966	-
Paycheck Protection Program Loan	450,441	-
Current portion of long-term debt	122,137	1,000,000
Total Current Liabilities	<u>770,544</u>	<u>1,000,000</u>
Long-Term Debt		
Due to other component units	-	14,937,476
Notes payable	256,704	-
Owyhee project - USBR construction contract	6,539,177	-
Total Long-Term Debt	<u>6,795,881</u>	<u>14,937,476</u>
Total Liabilities	<u>\$ 7,566,425</u>	<u>\$ 15,937,476</u>
Net Position		
Net investment in capital assets	11,348,048	11,674,877
Restricted:		
Required Reserve - BOR & Hydro	694,598	-
Unrestricted	2,082,691	855,446
Total Net Position	<u>\$ 14,125,337</u>	<u>\$ 12,530,321</u>

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

OWYHEE IRRIGATION DISTRICT

Statement of Revenues, Expenses,
and Changes in Net Position
For The Year Ended December 31, 2021
(Modified Cash Basis)

	<u>Enterprise Funds</u>	<u>Component Units</u>
Operating Revenues		
Water and structure fees	\$ 4,663,185	\$ -
Reimbursements and miscellaneous	519,408	-
Power sales	103,729	455,826
Total Operating Revenues	<u>5,286,322</u>	<u>455,826</u>
Operating Expenses		
Payroll expense	2,353,321	-
Material and supplies	623,546	-
Dam O & M	204,087	-
Operations and administration charges		122,915
Power for pumping	522,913	19,308
Utilities	60,491	-
Fees		26,618
Professional and consulting fees	68,172	39,346
Office supplies and expenses	39,907	11,481
Insurance	139,659	83,011
Interest	19,244	57,219
Dues and licenses	53,962	-
Depreciation	296,161	625,060
Weed control	494,078	-
Equipment purchases	24,325	-
Miscellaneous	106,141	-
Total Operating Expenses	<u>5,006,007</u>	<u>984,959</u>
Operating Income (Loss)	<u>280,315</u>	<u>(529,134)</u>
Non-Operating Revenues		
Interest on investments	18,821	3,602
Payroll Protection Program loan forgiveness	215,863	-
Grant income for pipe projects	39,083	-
Gain on sale of fixed assets	65,995	-
Total Non-Operating Revenue	<u>339,762</u>	<u>3,602</u>
Change in Net Position	620,080	(525,533)
Net Position - Beginning of Year	<u>13,505,257</u>	<u>13,055,856</u>
Net Position - End of Year	<u>\$ 14,125,337</u>	<u>\$ 12,530,321</u>

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

OWYHEE IRRIGATION DISTRICT
Statement of Cash Flows
For The Year Ended December 31, 2021
(Modified Cash Basis)

	<u>Enterprise Funds</u>	<u>Component Units</u>
Cash Flows provided (used) by Operating Activities		
Receipts from users	\$ 5,286,322	\$ 455,826
Payments for goods and services	(2,356,523)	(359,900)
Payments to employees	(2,342,985)	-
Net cash flows provided by Operating Activities	<u>586,814</u>	<u>95,926</u>
Cash Flows Used by Non-Capital Financing Activities		
Increase in restricted cash	-	-
Cash Flows provided (used) by Capital and Related Financing Activities		
Acquisition of capital assets	(487,307)	-
Construction grants	39,083	-
Proceeds from sale of assets	68,117	-
Proceeds from debt	450,441	-
Principal paid on bonds and notes	(336,659)	(144,380)
Net cash used in Capital and Related Financing Activities	<u>(266,325)</u>	<u>(144,380)</u>
Cash Flows provided by Investing Activities		
Loan receivable payments received	-	-
Interest on investments	18,821	3,601
Net cash provided by Investing Activities	<u>18,821</u>	<u>3,601</u>
Net Increase in Cash and Cash Equivalents	<u>\$ 339,310</u>	<u>\$ (44,853)</u>
Cash and Cash Equivalents - Beginning of Year	<u>2,726,767</u>	<u>900,298</u>
Cash and Cash Equivalents - End of Year	<u>\$ 3,066,079</u>	<u>\$ 855,445</u>
Displayed As:		
Cash and investments	<u>\$ 2,371,481</u>	<u>\$ -</u>
Restricted cash	<u>694,598</u>	<u>855,445</u>
	<u>\$ 3,066,079</u>	<u>\$ 855,445</u>
Reconciliation of operating income to net cash provided (used) by operating activities		
Operating income (loss)	280,317	(529,134)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:		
Depreciation on fixed assets	296,161	625,060
Capitalized interest	-	-
Changes in assets and liabilities (used in) operating activities:		
Accrued compensated absences	10,336	-
Net Cash (Used) provided by Operating Activities	<u>\$ 586,814</u>	<u>\$ 95,926</u>

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

NOTES TO FINANCIAL STATEMENTS

OWYHEE IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements present the activities of Owyhee Irrigation District (the District). The accounting policies of the District conform to generally accepted accounting principles as applicable to special districts except as noted below concerning the modified cash basis of accounting. The following is a summary of the more significant policies:

A. Financial Reporting Entity

Operations and Maintenance Fund

The Owyhee Irrigation District was organized under Oregon Revised Statutes (ORS 545 to operate and maintain an irrigation system that covers 67,266 acres in southeastern Oregon. The District annually bills and collects from users, primarily farmers within the district, charges for irrigation water for operations and maintenance. The District is governed by a five member Board of Directors.

Hydroelectric Development

In 1982, the irrigation districts of the Owyhee Project formed the Owyhee Project Power Committee to jointly pursue the development, construction and operation of two hydroelectric generating plants. The Owyhee Dam is a 5.0 megawatt plant licensed by the Federal Energy Regulatory Commission Co. 4354-001. This license will be up for renewal in May 2034. The plant was completed in July, 1985 and began commercial operation the following month. The Owyhee Tunnel # 1 is an 8.5 megawatt project completed in June, 1993 and began commercial operations the same month. The Tunnel # 1 Power Project is licensed by the Federal Energy Regulatory Commission No. 4359-001. This license will be up for renewal in February, 2036.

The Owyhee Irrigation District, through intergovernmental agreements, was appointed the lead agent for the Owyhee Project Power Committee to enter into contractual agreements on behalf of the other districts. Equity ownership of the two projects is:

Owyhee Irrigation District	62.2%
Gem Irrigation District	31.9%
Ridgeview Irrigation District	5.9%

In 1983, the District began investigating the possibility of utilizing the Mitchell Butte Slide for hydroelectric generation. The project was constructed and commercial generation began during June, 1989. The Mitchell Butte Power Project is a 1.8 megawatt project licensed by the Federal Regulatory Energy Commission No. 5357-001. This license will be up for renewal in December, 2034.

Fund Financial Statements

The fund financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component units. The business-type activities rely to a significant extent on fees and charges for support. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

OWYHEE IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Basis of Accounting and Basis of Presentation

Basis of Accounting

The District's financial statements are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, revenues, and expenditures/expenses when they result from cash transactions with a provision for depreciation in the government-wide statements. This basis is a comprehensive basis of accounting 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 revenue 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. The District does record sick leave in order to monitor the potential future obligation.

If the District utilized the basis of accounting recognized as generally accepted, all government-wide financials would be presented on the accrual basis of accounting.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. 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.

Basis of Presentation

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods or services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise funds are charges for customer service including Operation & Maintenance (O&M) charges, structure changes and facility rents. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Discretely presented component units

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB-14. GASB-14 states the decision to include a potential component unit is based on the notion of financial accountability. The criteria used to determine financial accountability under GASB-14 are (a) appointment of a voting majority, (b) imposition of will, (c) financial benefit or burden on the primary government, and (d) fiscal dependency on the primary government.

OWYHEE IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Based upon the application of these criteria, the District included the hydroelectric joint ventures in their reporting entity, in the component unit's column of the District's Basic Annual Financial Statements. The accounting policies of the component units are consistent with those described for the primary government.

The Operation and Maintenance and Mitchell Butte Power Project Funds are used to account for the District's general operations which include all income and expenses associated with the daily activity of providing water to the District's patrons and production and distribution of electricity generated at Mitchell Butte.

The Owyhee Dam Power Project and Owyhee Tunnel # 1 Power Project funds (the component units) are used to account for the operations associated with the production and distribution of electricity generated by the hydroelectric plant at the two sites.

Budgets Policy

The District prepares a budget for its general operation and maintenance fund for management purposes. State Statutes require that a budget be prepared for this purpose, but no other provisions of the Local Budget Law apply to the District.

C. Assets and Liabilities

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and short-term highly liquid investments with a maturity of three months or less when purchased. Investments maintained in the Oregon State Investment Pool are carried at cost, which approximates fair value, and are classified as a cash equivalent.

Receivables and Payables

The District is using the modified cash basis of accounting for governmental and proprietary funds.

Assessments

Annual bills are mailed to water users in March with subsequent billings being mailed in April, June and September to delinquent accounts. No water is delivered to water users who have not paid their assessment in full. Liens are filed against the property; therefore, bad debts are not material.

Capital Assets

Capital assets includes grounds and improvements, laterals, buildings, equipment and vehicles. Such assets that are purchased or constructed are recorded at historical cost where historical records are available or estimated historical cost where no historical records exist. Donated capital assets are recorded at estimated fair market value at the date of donation.

OWYHEE IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
 December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The District defines capital assets as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Maintenance and equipment replacements of a routine nature and repairs that do not add to the value of the asset or materially extend assets lives are charged to expenditures as incurred and not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation on exhaustible assets is recorded in the Statement of Revenues, Expenses, and Changes in Net Position with accumulated depreciation reflected in the Statement of Net Position and is provided on the straight-line method over the following estimated lives:

<u>Assets</u>	<u>Estimated Lives</u>
Buildings and improvements	30-40
Systems Infrastructure	20-50
Vehicles and equipment	5-10

A full month of depreciation is taken in the month the assets are required or retired. Gains or losses from sales or retirements of capital assets are included in operations of the current year.

Fund Financial Statements – in the fund-financial statements, capital assets arising from cash transactions or events acquired for use in the governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Other Assets

Other assets consist primarily of money advanced to the Tunnel # 1 Power Project.

Restricted Assets and Liabilities

Assets whose uses are restricted primarily for construction, bonded debt service and other purposes by bonded debt indentures and requirements from United States Government and related liabilities are segregated on the statement of net position.

Compensated Absences

Vacation and compensation time pay are accrued in the enterprise fund types as earned by employees.

Long-Term Obligations

In the governmental-wide financial statements, and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental a activities, business-type activities, or proprietary fund type statement of net position.

Long-term debt of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

OWYHEE IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Equity Classification

Government-Wide Financial Statements – Equity is classified as net position and displayed in three components:

- 1) 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 improvements of those assets.
- 2) 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.
- 3) Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

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

Retained Earnings Reserved for Bonded Debt Service

A portion of retained earnings of the proprietary funds has been segregated from unreserved retained earnings for amounts legally required to be set aside to pay bonded debt service in accordance with the revenue bond and general obligation bond ordinances and for additional debt service amounts as designated by contract.

Interfund borrowing and commingling of cash

Interfund borrowing and commingling of cash is reported as loans, service provided reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Use of Estimates

The preparation of financial statements, in conformity with the modified cash basis of accounting used by the District, requires management to make estimates and assumptions that affect the reported amounts and disclosure (such as the estimated useful life in determining depreciation expense.) Accordingly actual results could differ from those estimates.

OWYHEE IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The Tunnel # 1 Power Project has a deficit fund balance at year end. This is dependent upon good water years to generate enough revenue to pay off the revenue bond payments. Eventually this fund should reverse the losses. The other Dam Project has loaned the Tunnel Project money to pay the bonds.

3. DEPOSITS AND INVESTMENTS

As of December 31, 2021, the cash balances consisted of:

	Operation and Maintenance Fund	Mitchell Butte Power Project Fund	Component Units		Total Fair Market Value
			Owyhee Dam Power Project Fund	Tunnel #1 Power Project Fund	
Banking checking account	\$ 674,655	\$ 180,032	\$ 64,665	\$ 7,732	\$ 927,084
Local Government Investment Pool	2,084,922	126,470	689,682	93,366	2,994,440
Total Cash	\$2,759,577	\$ 306,502	\$ 754,347	\$ 101,098	\$ 3,921,524

The cash is reported as undesignated, designated, and restricted cash on the Statement of Net Position as follows:

Cash:				
Undesignated	1,480,991	306,502		1,787,493
Designated:				
Equipment	53,500			53,500
Building Shop	-			-
Environmental	136,000			136,000
Malheur Siphon	-			-
Operating Reserve	393,283			393,283
Restricted	694,598		754,347	1,011,945
Total Cash	\$ 2,758,372	\$ 306,503	\$ 754,347	\$3,920,319

Investments, including amounts held in pooled cash and investments, are stated at fair value in accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Fair value is determined at the quoted market price, if available; otherwise, the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value.

OWYHEE IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

3. DEPOSITS AND INVESTMENTS – Continued

Deposits

Deposits with financial institutions are comprised of demand accounts. Effective July 1, 2008, the State of Oregon formed the Oregon Public Funds Collateralization Program under ORS 295. The collateralization program creates a state-wide pool of qualified bank depositories for local governments, providing collateralization for bank balances that exceed the limits of the Federal Depository Insurance Corporations (FDIC), and eliminating the need for certificates of participation. As of December 31, 2021, the total bank carrying balance of Owyhee Irrigation District and Mitchell Butte is \$674,655 and \$180,032, respectively, which was covered by FDIC coverage and collateralized by the Oregon Public Funds Collateralization Program. At December 31, 2021, bank balances of \$861,402 and \$180,241 for Owyhee Irrigation District and Mitchell Butte, respectively, were insured or collateralized. Differences are due to transactions in process.

Custodial Credit Risk – Deposits

Custodial credit risk on deposits is the risk that in the event of a bank failure, the District's deposits may not be returned. In order to minimize this risk, state statutes require banks holding public funds to become members of the Public Funds Collateralization Program (PFCP), a multiple financial institution collateral pool created by the Office of the State Treasurer. To qualify, participating banks must pledge collateral against any public fund deposits in excess of deposit insurance. The amount of collateral is set by the PFCP between 10% and 110% of each bank's public fund deposits based on their net worth and level of capitalization. Although the PFCP creates a shared liability structure for participating bank depositories, it does not guarantee that all funds are 100% protected.

All non-interest bearing transaction activity accounts are fully insured by the FDIC. All other accounts including interest-bearing deposits are insured up to \$250,000.

Investments

The purpose of the District's investment policy is to identify various policies and procedures that enhance opportunities for a prudent and systematic investment policy and to organize and formalize investment-related activities. The District has delegated investment responsibilities to the Business Manager, who is primarily responsible for implementing the investment policy.

Credit Risk - Investments

State statutes authorize the District to invest primarily in general obligations of the United States government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, certain commercial papers and the State Treasurer's investment pool, among others. The District has no formal investment policy that further restricts its investment choices.

Custodial Credit Risk - Investments

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

OWYHEE IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

3. DEPOSITS AND INVESTMENTS – Continued

The Local Government Investment Pool (LGIP) is administered by the Oregon State Treasury with the advice of other state agencies and is not registered with the U.S. Securities and Exchange Commission. 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. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short Term Fund Board, which has established diversification percentages and specifies the types and maturities of the investments. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP. These investments within the LGIP must be invested and managed as a prudent investor would, exercising reasonable care, skill and caution. Professional standards indicate that the investments in external investment pools are not subject to custodial risk because they are not evidenced by the securities that exist in physical or book entry form. Nevertheless, management does not believe that there is any substantial custodial risk related to investments in the LGIP. The fair value of the District's position in the LGIP is the same as the value of the pool shares. The LGIP is not credit quality rated.

Concentration Risk

The District does not have a formal policy that places a limit on the amount that they may be invested in any one insurer. The District has concentrations in the following investments: Local Government Investment Pool. These investments are 100% of the District's total investments. 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.

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.

4. DESIGNATED AND RESTRICTED, CASH AND INVESTMENTS

Operation and Maintenance Fund

The Board has set aside \$582,783 for the replacement of capital assets; building shop; environmental reserve; Gopher Bounty reserve; and operating reserve. These designated funds are not available for current operations.

Owyhee Dam Power Project and Tunnel # 1 Power Project (Component Units)

The Owyhee Irrigation District entered into an agreement dated October 1, 2017 that restricts cash and investments in both the Owyhee Dam and Tunnel # 1 Power Projects. Under the agreement, the Project Revenue Fund and Project Cash Reserve Account are presented on the balance sheet of Tunnel #1. The bond payment is due annually on November 30. The amount available for payment is limited to the October 31 balance in the project Revenue Fund.

OWYHEE IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

4. DESIGNATED AND RESTRICTED, CASH AND INVESTMENTS – Continued

If there are funds in the Project Revenue Fund, it is transferred to the Project Cash Reserve Account on the first of every month to the extent Project Cash Reserve is less than \$650,000. The monthly receipts are allocated to the Project Revenue Fund and the annual bond payment is made from the Project Revenue Fund to the extent there is money available in this fund. If depleted, the bond payment is limited to the balance in the Project Revenue Fund with any unpaid amount being deferred.

The monthly O&M expenses and capital expenditures are drawn from the Project Cash Reserve Account. This account is replenished to \$650,000 on the first of every month to the extent money is available from the Project Revenue Fund. These are the reserves at December 31, 2021:

	Owyhee Dam and Tunnel #1	
	Balance 12/31/2021	Balance when Fully Funded
<u>Power Project</u>		
Project Revenue Fund	\$ 209,213	-
Project Cash Reserve Account	646,232	650,000
	\$ 855,445	

5. CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Operations and Maintenance				
<u>Capital assets, not being depreciated:</u>				
Land & irrigation system	\$12,941,001	\$ -	\$ -	\$12,941,001
Total capital assets, not being depreciated	\$12,941,001	\$ -	\$ -	\$12,941,001
<u>Capital assets, being depreciated:</u>				
Buildings	402,251	-	(14,957)	387,294
Irrigation Improvements	3,646,486	355,593		4,002,379
Equipment	2,582,997	400,287	(25,286)	2,957,998
Total capital assets being depreciated	6,631,734	756,180	(40,243)	7,347,671
<u>Less accumulated depreciation for:</u>				
Buildings	(26,271)	(7,745)	12,835	(21,182)
Irrigation Improvements	(735,053)	(73,267)		(808,320)
Equipment	(2,127,592)	(156,257)	25,286	(2,258,562)
Total accumulated depreciation	(2,888,916)	(237,269)	38,121	(3,088,064)
Total capital assets, being depreciated, net	3,742,817	518,911	(2,122)	3,742,817
Operations and Maintenance capital assets, net	\$16,683,818	\$ 518,911	\$ (2,122)	\$17,200,607

OWYHEE IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

5. CAPITAL ASSETS - Continued

Mitchell Butte Power Project	Beginning Balance	Increases	Decreases	Ending Balance
<u>Capital assets, being depreciated:</u>				
Power Projects	\$ 3,074,509	\$ -	\$ -	\$ 3,074,509
Total accumulated depreciation	(1,950,159)	(58,892)	-	(2,009,051)
Total capital assets, being depreciated, net	1,124,350	(58,892)	-	1,065,459
Business-type activities capital assets, net	<u>\$ 1,124,350</u>	<u>\$ (58,892)</u>	<u>\$ -</u>	<u>\$ 1,065,569</u>
Total Business-type activities capital assets, net	<u>\$17,808,168</u>	<u>\$ 460,019</u>	<u>\$ (2,122)</u>	<u>\$18,266,066</u>
 Component Units - Hydroelectric Power Projects				
	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
<u>Capital assets, being depreciated:</u>				
Power Projects	\$31,266,768	\$ -	\$ -	\$31,266,768
Total accumulated depreciation	(17,966,831)	(625,060)	-	(18,591,891)
Total capital assets, being depreciated, net	13,299,937	(625,060)	-	12,674,877
Business-type activities capital assets, net	<u>\$13,299,937</u>	<u>\$ (625,060)</u>	<u>\$ -</u>	<u>\$12,674,877</u>

Depreciation expenses was charged to functions/programs of the Primary Government as follows:

	O & M	Mitchell Butte Power & Project	Component Units
Business-type activities:			
Owyhee Irrigation	\$ 237,269	\$ -	\$ -
Hydroelectric power project	-	58,892	625,060
Total depreciation expense	<u>\$ 237,269</u>	<u>\$ 58,892</u>	<u>\$ 625,060</u>

OWYHEE IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
 December 31, 2021

6. DUE TO/FROM OTHER FUNDS

The Owyhee Dam Project has had to advance the Tunnel # 1 Power Project over the years the following amounts:

	<u>Advanced To</u>
	Owyhee Tunnel # 1
<u>Advanced By</u>	<u>Power Project</u>
Owyhee Dam Power Project	<u>\$ 14,937,476</u>

These amounts are to be repaid back to Owyhee Dam when Tunnel # 1 bonds are repaid and/or sufficient income exists from the Tunnel # 1 Project to allow repayment. This repayment is not expected to take place in the near future.

7. CONSTRUCTION CONTRACT PAYABLE

The District has a non-interest bearing contract payable in the amount of \$6,539,177 to the US Bureau of Reclamation for the District's share of the cost of construction for the Owyhee Dam. Payments are not on a fixed repayment schedule, but are based on a formula which is affected by the cost of power during each year. As the power costs increase, the payment to the Bureau decreases. No payments have been made for the past several years except for land payout amounts.

8. LONG-TERM DEBT

Operation and Maintenance:

Annual debt service requirements to maturity for all loans are as follows:

Paycheck Protection Program Loan

In March 2020, the CARES Act created and funded the Small Business Administration (SBA) Paycheck Protection Program (PPP) to provide loans designated to help small businesses cover their near-term operating expenses and to provide an incentive to retain their employees during the COVID-19 crisis. The District applied for and was approved for a loan of \$450,441. The terms of this loan allow for the full forgiveness based on the level of employee retention and if, utilized, for payroll costs, mortgage obligations, rent, or utilities within a specified covered period and in accordance with the terms and conditions of the PPP loan. The portion of the loan not forgiven will bear interest at 1%. The District's loan was forgiven in full in January 2022.

New John Deere 310SL HL

The District has entered into an agreement with Mountain West Bank for the lease of a John Deere Backhoe. The 5 year loan was financed with the interest rate of 3.15% and will mature in May 2022. Annual payments are \$17,084.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 16,873	\$ 211	\$ 17,084
Total	<u>\$ 16,873</u>	<u>\$ 211</u>	<u>\$ 17,084</u>

OWYHEE IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

8. LONG-TERM DEBT- Continued

2021 Caterpillar 430 Backhoe Loader

The District has entered into an agreement with Summit National Bank for the purchase of a Caterpillar 430 Backhoe Loader. The 5 year loan was financed with the interest rate of 3.54% and will mature in June 2025. Annual payments are \$27,326.

Year	Principal	Interest	Total
2022	\$ 23,776	\$ 3,550	\$ 27,326
2023	24,618	2,708	27,326
2024	25,489	1,837	27,326
2025	26,391	934	27,325
Total	<u>\$ 100,274</u>	<u>\$ 9,029</u>	<u>\$ 109,303</u>

CAT Financial – Hydraulic Excavator

The District has entered into an agreement with CAT Financial for the purchase of a Hydraulic Excavator. The loan payable due September 2023 was financed with the interest rate of 4.910%. Payment due September 2023 is \$108,537.

Year	Principal	Interest	Total
2022	\$ -	\$ -	\$ -
2023	98,615	9,922	108,537
Total	<u>\$ 98,615</u>	<u>\$ 9,922</u>	<u>\$ 108,537</u>

Malheur Siphon Structural Improvement Project

The District has entered into an agreement with the State of Oregon through Business Oregon. As part of such agreement, the District received a loan of \$400,000 to facilitate the repair and replacement of the Malheur Siphon. Construction started in 2018 and was completed in 2019. The loan carries an annual interest rate of 1.87%. It matures on December 2023. Annual payments are \$84,543.

Year	Principal	Interest	Total
2022	\$ 81,488	\$ 3,055	\$ 84,543
2023	81,894	1,532	83,426
Total	<u>\$ 163,382</u>	<u>\$ 4,587</u>	<u>\$ 167,969</u>

Changes in long-term liabilities	Beginning			Ending	Due within
	Balance	Addition	Reduction	Balance	one year
Notes Payable	\$ 54,566	\$ 268,872	\$ (107,979)	\$215,459	\$ 40,649
Siphon Project - OID	321,898	-	(158,516)	163,382	81,488
Total	<u>\$ 412,704</u>	<u>\$268,872</u>	<u>\$(266,495)</u>	<u>\$378,841</u>	<u>\$ 122,137</u>

OWYHEE IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

8. LONG-TERM DEBT- Continued

Component Units - Hydroelectric Power Projects

Annual debt service requirements to maturity for all revenue bonds are as follows:

Tunnel # 1 Power Project

The District has entered into an agreement with the other districts within the Owyhee Project to participate in the Owyhee Tunnel # 1 Power Project. As part of such agreement, the District issued revenue bonds to the State of Oregon for construction of an 8.5 megawatt power plant at the Owyhee Tunnel # 1 site. Construction started in 1989 and was completed in June, 1993. This construction was financed with two loans. Loan 201A and Loan 201B. On September 01, 2017 the loan was refinanced with the interest rate reduced to 5.00% from 5.53% and mature on November 30, 2036. Annual payments are \$395,494. During 2020, the joint commission agree to prepay debt by \$1,250,000. As a result, next payment is due in 2027.

A schedule of future payment requirements of loan 201A is as follows: (Loan L00201A)

Year	Principal	Interest	Total
2022	-	50,000	50,000
2023	-	50,000	50,000
2024	-	50,000	50,000
2025	-	50,000	50,000
2026	-	50,000	50,000
2027-2029	1,000,000	82,725	1,082,725
Total	1,000,000	332,725	1,332,725

Changes in long-term liabilities	Beginning			Ending	Due within
	Balance	Addition	Reduction	Balance	one year
Rev Bond - Tunnel	\$ 1,144,380	\$ -	\$ 144,380	\$ 1,000,000	\$ -
Total	\$ 1,144,380	\$ -	\$ 144,380	\$ 1,000,000	\$ -

9. RESERVED ASSETS

As explained in Note 4, bond covenants and the contract with the Bureau of Reclamation require that certain retained earnings be reserved. Following is a summary of those requirements.

Operation and Maintenance Fund

The "Amendatory Repayment Contract" between the District and the Bureau of Reclamation require the District to reserve retained earnings in the amount of one-seventh of the prior five years average operation and maintenance costs. Accordingly, the Board has restricted the use of \$694,598 of its investments to fund this reserve. In addition the Board has designated \$582,783 of its investment to fund reserves for equipment, building shop, environmental, gopher bounty and operating reserves.

OWYHEE IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

9. RESERVED ASSETS - Continued

Owyhee Dam Power Project Fund & Tunnel #1 Power Project Fund(Component Units)

Bond covenants requires Project Cash Reserve Account reserves of the Tunnel # 1 and Owyhee Dam Power Projects earnings restricted until the Tunnel reserves reach a total of \$650,000. See Note 4 for current cash and investment restrictions.

10. RETIREMENT SYSTEMS AND PENSIONS PLANS

Oregon Public Employees Retirement System

Plan Description

The District contributes to two pension plans administered by the Oregon Public Employees Retirement System (PERS). The Oregon Public Employees Retirement Fund (OPERF) applies to the District's contribution for qualifying employees who were hired before August 2004, all PERS 29, 2003, and is a cost-sharing multiple-employer defined benefit pension plan. The Oregon Public Service Retirement Plan (OPSRP) is a hybrid successor plan to the OPERF and consists of two programs: The Pension Program, the defined benefit portion of the plan, applies to qualifying District employees hired after August 29, 2003, and to inactive employees who return to employment following a six-month or greater break in service. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service. Beginning January 1, member contributions go into the Individual Account Program (IAP), the defined contribution portion of the plan. PERS members retain their existing PERS accounts, but any future member contributions are deposited into the member's IAP, not the member's PERS account.

Both PERS plans provide retirement and disability benefits, post-employment healthcare benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS is administered under Oregon Revised Statute Chapter 238, which establishes the Public Employees Retirement Board as the governing body of PERS. PERS issues a publicly available financial report that includes financial statements and required supplementary information.

The report may be obtained by writing to PERS, PO Box 23700, Tigard, OR, 97281-3700, URL: <http://www.oregon.gov/pers.or.us/> , or by calling 503-598-7377.

All full time employees are eligible to participate in the system after six months of employment. Part-time employees and temporary employees are covered after 600 hours of employment. PERS' benefits vest after five years of continuous service or at age 50. General service employees may retire after reaching age 55. Employees with 30 years of service receive unreduced benefits. General service employee benefits are reduced if retirement occurs prior to age 58 with less than 30 years of service.

OWYHEE IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

11. RETIREMENT SYSTEMS AND PENSION PLANS – Continued

Retirement benefits are based on final average salary and length of service and are calculated under either a money match, full formula or a formula plus annuity computation if a greater benefit results. PERS also provides death and disability benefits. These benefit provisions and other requirements are established by state statutes.

Funding Policy

Members of PERS are required to contribute 6.0% of their salary covered under the plan, which is paid by the District. The District is required by ORS 238.225 to contribute at an actuarially determined rate for the qualifying employees under the OPERF plan, and a general service rate for the qualifying employees under the OPSRP plan. The OPERF and the OPSRP rates in effect for the year ended December 31, 2021 were 31.91% and 23.94%, respectively. The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

Annual Pension Cost

Information for the District's PERS annual pension cost for the past three years is as follows:

	Year Ended December 31,		
	2021	2020	2019
District average contribution rate	23.94%	23.94%	23.94%
Employee contribution rate included	6.00%	6.00%	6.00%
Total District payroll	\$ 1,598,071	\$ 1,583,026	\$ 1,577,019
Covered District Payroll	\$ 1,361,201	\$ 1,443,409	\$ 1,399,145
Annual pension cost	\$ 318,015	\$ 327,060	\$ 309,759
Net pension obligation	\$ -	\$ -	\$ -

457 Plan

The District participates in a 457 retirement plan. All full-time employees may participate by allocating a percentage of their wages to the plan. The District does not contribute to the 457 plan.

12. OTHER POSTEMPLOYMENT BENEFITS

PERS Retirement Health Insurance Account

Plan Description

The District contributes to the PERS Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by PERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. ORS 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004, PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

OWYHEE IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

12. OTHER POSTEMPLOYMENT BENEFITS, Continued

Funding Policy

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the RHIA established by the employer, and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by PERS, currently 0.06% Tier 1 and Tier 2 payroll and 0.00% of OPSRP annual covered payroll. The Oregon PERS Board of Trustees sets the employer contribution rate. It is based on the annual required contribution of the combined participant employers. This is an amount actuarially determined in accordance with the parameters of GASB Statement 75. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a closed period not to exceed 30 years. The District's contributions to RHIA for the year ended December 31, 2021 are included in the PERS annual pension amount.

Implicit Rate Subsidy

While the District does not actually pay for the retirees' premiums, a retired employee receives the implicit benefit of lower health care premiums subsidized by the premium costs for active employees. This benefit is known as an "implicit rate subsidy". The benefit relates to the assumption that the retiree is receiving a more favorable premium rate than they would otherwise be able to obtain if purchasing insurance on their own, due to being included in the same pool with the District's younger and statistically healthier active employees. GASB Statement 75 states that this implicit subsidy must be included in the liabilities and costs reported on the entity's financial statements. This liability does not result from a cash transaction and is not included on the District's balance sheet.

OWYHEE IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

13. MAJOR CUSTOMER OF THE POWER PROJECTS

The District has entered into a power sales contract with Idaho Power Company to sell all power generated by the Owyhee Dam, Owyhee Tunnel # 1, and Mitchell Butte Power Projects. The purchase price of the power generated by the Owyhee Tunnel # 1 Power Project to be received for 2021 varies depending upon the relationship of a number of economic factors, including an energy value index, Idaho Power Co. average system cost and interest rates. The purchase price of the power generated by the Owyhee Dam Power Project and Mitchell Butte Power Project depends upon the relationship of those economic factors listed above.

14. RISK MANAGEMENT

The District is exposed to various risks of loss to torts; theft or damage to and destruction of assets; errors and omissions and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year.

15. ORGANIZATION AND FUND STRUCTURE

The District operates two separate enterprise funds, the Irrigation enterprise and the Mitchell Butte Power Project enterprise.

The Irrigation Fund and the Mitchell Butte Power Project are combined to be reported as the entity in the basic financial statements.

OTHER FINANCIAL INFORMATION

OWYHEE IRRIGATION DISTRICT
Combining Statement of Net Positions - Propriety Funds
December 31, 2021
(Modified Cash Basis)

Assets	Operation and Maintenance Fund	Mitchell Butte Power Project	Total
Current Assets			
Cash and investments	\$ 2,064,979	\$ 306,502	\$ 2,371,481
Total Current Assets	<u>2,064,979</u>	<u>306,502</u>	<u>2,371,481</u>
Capital Assets			
Irrigation system	12,886,182	-	12,886,182
Land	54,819	41,326	96,145
Irrigation improvements	4,002,379		4,002,379
Equipment/Buildings	3,345,292	88,569	3,433,861
Dam power projects	-	2,944,614	2,944,614
Accumulated depreciation	(3,088,064)	(2,009,051)	(5,097,115)
Total Capital Assets	<u>17,200,607</u>	<u>1,065,459</u>	<u>18,266,066</u>
Other Assets			
Restricted cash	694,598	-	694,598
Due from other component units	-	-	-
Investment in power projects	647,202	-	647,202
Total Other Assets	<u>1,341,800</u>	<u>-</u>	<u>1,341,800</u>
Total Assets	<u>\$ 20,607,387</u>	<u>\$ 1,371,960</u>	<u>\$ 21,979,347</u>
Liabilities			
Current Liabilities			
Compensated absences	197,966	-	197,966
Paycheck Protection Program Loan	450,441	-	450,441
Current portion of long-term debt	122,137	-	122,137
Total Current Liabilities (Unrestricted)	<u>770,544</u>	<u>-</u>	<u>770,544</u>
Long-Term Debt			
Due to Owyhee Irrigation	-	287,585	287,585
Owyhee Project - USBR construction contract	6,539,177	-	6,539,177
Notes payable	256,704	-	256,704
Total Long-Term Debt	<u>6,795,881</u>	<u>287,585</u>	<u>7,083,466</u>
Total Liabilities	<u>7,566,425</u>	<u>287,585</u>	<u>7,854,010</u>
Net Position			
Net investment in capital assets	10,282,589	1,065,459	11,348,048
Restricted	694,598	-	694,598
Board restricted	582,783		582,783
Unrestricted:	1,480,991	18,916	1,499,907
Total Net Position	<u>\$ 13,040,961</u>	<u>\$ 1,084,375</u>	<u>\$ 14,125,337</u>

OWYHEE IRRIGATION DISTRICT
Combining Statement of Revenues, Expenses,
And Changes in Net Position - Proprietary Funds
For The Year Ended December 31, 2021
(Modified Cash Basis)

	<i>Operation and Maintenance Fund</i>	<i>Mitchell Butte Power Project</i>	<i>Total</i>
Operating Revenues			
Water and structure fees	\$ 4,663,185	\$ -	\$ 4,663,185
Reimbursements and Miscellaneous	519,408	-	519,408
Power sales	-	103,729	103,729
Total Revenues	<u>5,182,593</u>	<u>103,729</u>	<u>5,286,322</u>
Operating Expenses			
Payroll expense	2,353,321	-	2,353,321
Material and supplies	623,546	-	623,546
Dam O & M	164,897	39,190	204,087
Power for pumping	522,913	-	522,913
Utilities	58,561	1,930	60,491
Professional and consulting fees	64,042	4,130	68,172
Office supplies and expenses	39,778	129	39,907
Insurance	128,010	11,649	139,659
Interest expense	19,244	-	19,244
Dues and licenses	47,760	6,202	53,962
Depreciation	237,269	58,892	296,161
Weed control	494,078	-	494,078
Equipment purchases	24,325	-	24,325
Miscellaneous	104,540	1,600	106,140
Total Operating Expenses	<u>4,882,284</u>	<u>123,722</u>	<u>5,006,006</u>
Operating Income (loss)	<u>300,310</u>	<u>(19,993)</u>	<u>280,316</u>
Non-Operating Revenues			
Interest on investments	18,089	732	18,821
Payroll Protection Program loan forgiveness	215,863	-	215,863
Gain on sale of fixed assets	65,995	-	65,995
Total Non-Oper. Revenue	<u>299,947</u>	<u>732</u>	<u>300,679</u>
Income (loss) before Other Capital Items	<u>600,256</u>	<u>(19,260)</u>	<u>580,995</u>
Other Capital Items			
Capital Construction Grants	39,083	-	39,083
Change in Net Position	639,339	(19,260)	620,079
Net Position - Beginning of Year	<u>12,401,622</u>	<u>1,103,635</u>	<u>13,505,257</u>
Net Position - End of Year	<u>\$ 13,040,961</u>	<u>\$ 1,084,375</u>	<u>\$ 14,125,337</u>

OWYHEE IRRIGATION DISTRICT
Combining Statement of Cash Flows - Proprietary Funds
December 31, 2021
(Modified Cash Basis)

	<i>Operation & Maintenance Fund</i>	<i>Mitchell Butte Power Project</i>	<i>Total</i>
Cash Flows provided by Operating Activities			
Receipts from users	\$ 5,182,593	\$ 103,729	\$ 5,286,322
Payments for goods and services	(2,291,694)	(64,830)	(2,356,523)
Payments to employees	(2,342,985)	-	(2,342,985)
Net Cash provided (used) by Oper. Act.	<u>547,915</u>	<u>38,899</u>	<u>586,814</u>
Cash Flows Used by Non-Capital Financing Activities			
Increase in operating transfers	-	-	-
Cash Flows provided (used) by Capital and Related Financing Activities			
Acquisition of fixed assets	(487,307)		(487,307)
Construction grants	39,083		39,083
Proceeds from sale of assets	68,117	-	68,117
Proceeds from debt	450,441	-	450,441
Principal paid on long-term debt	(336,659)		(336,659)
Net Cash provided (used) in Capital and Related Financing Activities	<u>(266,325)</u>	<u>-</u>	<u>(266,325)</u>
Cash Flows provided (used) by Investing Act.			
Loan receivable payments received	-	-	-
Interest on investments	18,089	732	18,821
Net Cash provided In Investing Activities	<u>18,089</u>	<u>732</u>	<u>18,821</u>
Net Decrease in Cash & Cash Equivalents	<u>\$ 299,679</u>	<u>\$ 39,632</u>	<u>\$ 339,310</u>
Cash & Cash Equivalents at Begin. of Year	<u>2,459,898</u>	<u>266,869</u>	<u>2,726,767</u>
Cash & Cash Equivalents at End of Year	<u>\$ 2,759,577</u>	<u>\$ 306,502</u>	<u>\$ 3,066,079</u>
Reconciliation of operating income to net cash provided (used) by oper. activities			
Operating income (loss)	300,310	(19,993)	280,317
Adjustments to reconcile oper. income to net cash provided by (used in) oper. activities:			
Depreciation on fixed assets	237,269	58,892	296,161
Changes in assets and liabilities (used in) operating activities:			
Accrued compensated absences	10,336		10,336
Net Cash prov. (used) by Oper. Act.	<u>\$ 547,915</u>	<u>\$ 38,899</u>	<u>\$ 586,814</u>

OWYHEE IRRIGATION DISTRICT

Combining Statement of Net Position - Component Units

December 31, 2021

(Modified Cash Basis)

	<i>Owyhee Dam Power Project</i>	<i>Tunnel #1 Power Project</i>	<i>Total</i>
Assets			
Current Assets			
Cash	\$ -	\$ -	\$ -
Total Current Assets			
Capital Assets			
Owyhee Dam Power Project	7,006,733	-	7,006,733
Tunnel #1 Power Project	-	24,260,035	24,260,035
	7,006,733	24,260,035	31,266,768
Accumulated depreciation	(4,715,358)	(13,876,533)	(18,591,891)
Total Capital Assets	2,291,375	10,383,502	12,674,877
Other Assets			
Restricted Cash		855,445	855,445
Due from other funds	14,937,476	-	14,937,476
Total Other Assets	14,937,476	855,445	15,792,922
Total Assets	\$ 17,228,851	\$ 11,238,946	\$ 28,467,797
Liabilities			
Current Liabilities (Payable from Restricted Assets)			
Revenue bonds payable	-	-	-
Total Current Liabilities			
Long-Term Debt			
Due to Owyhee Irrigation District	-	-	-
Due to other funds	-	14,937,476	14,937,476
Revenue bonds payable	-	1,000,000	1,000,000
Total Long-Term Debt	-	15,937,476	15,937,476
Total Liabilities		15,937,476	15,937,476
Net Position			
Net investment in capital assets	2,291,375	9,383,502	11,674,877
Unrestricted	14,937,476	(14,082,032)	855,446
Total Net Position	\$ 17,228,851	\$ (4,698,530)	\$ 12,530,321

OWYHEE IRRIGATION DISTRICT
Combining Statement of Revenues, Expenses,
And Changes in Net Position - Component Units
For The Year Ended December 31, 2021
(Modified Cash Basis)

	<i>Owyhee Dam Power Project</i>	<i>Tunnel #1 Power Project</i>	<i>Total</i>
Operating Revenue			
Power sales	\$ 248,966	\$ 206,859	\$ 455,826
Total Revenues	<u>248,966</u>	<u>206,859</u>	<u>455,826</u>
Operating Expenses			
Betterments, maintenance and repairs	-	-	
Operations and administration charges	56,040	66,875	122,915
Utilities	1,568	17,740	19,308
Fees	19,651	6,967	26,618
Professional and consulting fees	7,185	32,161	39,346
Office supplies and expenses	1,922	9,560	11,481
Insurance	40,079	42,932	83,011
Interest		57,219	57,219
Depreciation	142,582	482,478	625,060
Total Operating Expenses	<u>269,027</u>	<u>715,932</u>	<u>984,959</u>
Operating Income (loss)	<u>(20,061)</u>	<u>(509,073)</u>	<u>(529,134)</u>
Non-Operating Revenues			
Interest on investments	2,985	617	3,602
Total Non-Operating Revenue	<u>2,985</u>	<u>617</u>	<u>3,602</u>
Change in Net Position	(17,076)	(508,457)	(525,533)
Net Position - Beginning of Year	<u>17,245,927</u>	<u>(4,190,073)</u>	<u>13,055,854</u>
Net Position - End of Year	<u><u>\$ 17,228,851</u></u>	<u><u>\$ (4,698,530)</u></u>	<u><u>\$ 12,530,321</u></u>

OWYHEE IRRIGATION DISTRICT
Combining Statement of Cash Flows - Component Units
December 31, 2021
(Modified Cash Basis)

	<i>Owyhee Dam Power Project</i>	<i>Tunnel #1 Power Project</i>	<i>Total</i>
Cash Flows provided (used) by Operating Activities			
Receipts from customers	\$ 248,967	\$ 206,859	\$ 455,826
Payments to suppliers	(126,446)	\$ (233,454)	(359,900)
Payments to employees	-	-	-
Net Cash provided (used) by Operating Activities	<u>122,521</u>	<u>(26,595)</u>	<u>95,926</u>
Cash Flows provided (used) by Noncapital Financing			
Operating Transfers In	-	125,505	125,505
Operating Transfers Out	(125,505)	-	(125,505)
Net Cash provided (used) from Noncapital Financing Activities	<u>(125,505)</u>	<u>125,505</u>	<u>0</u>
Cash Flows provided (used) by Capital and related Financing Activities			
Acquisition of fixed assets	-	-	-
Principal paid on bonds and notes	-	(144,380)	(144,380)
Net Cash used in Capital and Related Financing Activities	<u>-</u>	<u>(144,380)</u>	<u>(144,380)</u>
Cash Flows provided (used) by Investing Activities			
Interest on investments	2,984	617	3,601
Net Cash provided by Investing Activities	<u>2,984</u>	<u>617</u>	<u>3,601</u>
Net Decrease in Cash and Cash Equivalents	(0)	(44,853)	(44,853)
Cash and Cash Equivalents - Beginning of Year		900,298	900,298
Cash and Cash Equivalents - End of Year	<u>\$ (0)</u>	<u>\$ 855,445</u>	<u>\$ 855,445</u>
Reconciliation of operating income to net cash provided (used) by operating activities			
Operating income (loss)	(20,061)	(509,073)	(529,134)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation on fixed assets	142,582	482,478	625,060
Capitalized interest			
Changes in assets and liabilities (used in) operating activities:			
Net Cash provided (used) by Operating Activities	<u>\$ 122,521</u>	<u>\$ (26,595)</u>	<u>\$ 95,926</u>

OWYHEE IRRIGATION DISTRICT
 Schedule for Acreage Assessments Receivable
 For The Year Ended December 31, 2021
 (Modified Cash Basis)

	<i>Balance January 1, 2021</i>	<i>Current Assessment</i>	<i>Adjustments and Collections</i>	<i>Balance December 31, 2021</i>
Assessments	\$ 64,151	\$ 4,657,638	\$ (4,657,906)	\$ 63,883
Interest / Service Charge	31,155	22,576	\$ (19,381)	34,350
Total	\$ 95,306	\$ 4,680,214	\$ (4,677,287)	\$ 98,233

BUDGETARY COMPARISON SCHEDULES

Pursuant to the provisions of Oregon Revised Statute 297.465, Oregon Administrative Rule #162-010-0130, Minimum Standards for Audits of Oregon Municipal Corporations, requires an individual schedule of revenues, expenditures/expenses, and changes in fund balances/net position, budget, and actual be displayed for each fund. The District is exempt from local budget laws. They do however use an annual budget as a management tool to control costs and set irrigation rates.

The fund budgetary comparisons for the Operations and Maintenance are displayed in the following pages as other supplementary information.

OWYHEE IRRIGATION DISTRICT
Schedule of Revenues and Expenses - Budget and Actual
Budgetary Basis
For The Year Ended December 31, 2021

OPERATION AND MAINTENANCE FUND

	<i>Budget On Budgetary Basis</i>	<i>Actual On Budgetary Basis</i>	<i>Variance w/ Final Budget</i>
Revenues			
Total Operating Revenues	\$ 5,246,441	\$ 5,182,593	\$ 63,848
Expenses			
Payroll/Benefits expense	2,686,678	2,353,321	333,357
Materials and supplies	893,397	979,438	(86,041)
Dam O&M	244,476	164,897	79,579
Power for pumping	588,000	522,913	65,087
Utilities	62,100	58,561	3,539
Audit and legal fees	70,100	64,042	6,058
Office supplies	88,000	39,778	48,222
Insurance	119,500	128,010	(8,510)
Dues and licenses	44,370	47,760	(3,390)
Interest	-	19,244	(19,244)
Equipment purchase	169,601	423,372	(253,771)
Weed control	657,150	494,078	163,072
Debt Service / Lease pmts	24,797	1,240	23,557
Miscellaneous	68,750	104,540	(35,790)
Total Operating Expense	<u>5,716,919</u>	<u>5,401,194</u>	<u>315,725</u>
Net Operating Income (loss)	<u>\$ (470,478)</u>	<u>\$ (218,600)</u>	<u>\$ 251,878</u>
Non - Operating Revenues			
Interest	59,000	18,089	(40,911)
Payroll Protection Program Loan Forgiven	-	215,863	215,863
Grant Reimbursement	-	39,083	39,083
Gain (loss) on sale of fixed assets	-	65,995	65,995
Total Non - Operating Receipts	<u>59,000</u>	<u>339,029</u>	<u>280,029</u>
Excess Income (Expense)	<u>\$ (411,478)</u>	<u>\$ 120,429</u>	<u>\$ 531,907</u>

OWYHEE IRRIGATION DISTRICT
Schedule of Revenues and Expenses and Changes in Fund Balance
- Budget and Actual
For The Year Ended December 31, 2021

OPERATIONS AND MAINTENANCE FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance w/ Final Budget</u>
Operating Revenues				
Operations & maintenance assessments	\$ 4,533,368	\$ 4,533,368	\$ 4,663,185	\$ 129,817
Special assessment	100,899	100,899	110,193	9,294
Interest (Late Charge)	22,000	22,000	22,576	576
Excess water	-	-	9,969	9,969
Reimbursements	218,399	218,399	228,832	10,433
Work for others	3,000	3,000	-	(3,000)
Service charges	23,025	23,025	24,150	1,125
Rent	33,000	33,000	32,693	(308)
Owyhee Ditch Co - Pump Reimburs.	5,000	5,000	7,712	2,712
Miscellaneous	307,750	307,750	83,284	(224,466)
Total Operating Revenue	<u>5,246,441</u>	<u>5,246,441</u>	<u>5,182,593</u>	<u>(63,848)</u>
Non - Operating Revenues				
Interest	59,000	59,000	18,089	(40,911)
Payroll protection program forgiveness	-	-	215,863	215,863
Grant Income	-	-	39,083	39,083
Proceeds from sale of assets	-	-	65,995	65,995
Total Non - Operating Revenue	<u>59,000</u>	<u>59,000</u>	<u>339,029</u>	<u>280,029</u>
Total Revenues	<u>5,305,441</u>	<u>5,305,441</u>	<u>5,521,623</u>	<u>216,182</u>
Expenses				
Payroll/Benefits				
Payroll	1,574,273	1,574,273	1,569,624	4,649
Payroll - Overtime	40,000	40,000	-	40,000
Payroll - Comp	-	-	(1,992)	1,992
Accrued Vacation change	-	-	6,465	(6,465)
Accrued Sick Leave change	-	-	5,861	(5,861)
Payroll - Health Insurance	414,719	414,719	277,999	136,720
Insurance - Aflac	2,244	2,244	170	2,074
HRA & Flex Plan	80,000	80,000	54,407	25,593
Workers Comp Insurance	50,000	50,000	14,056	35,944
Payroll Tax	130,942	130,942	122,795	8,147
Employee Travel	4,000	4,000	797	3,203
Manager Travel	9,000	9,000	3,813	5,187
Miscellaneous Travel	3,500	3,500	733	2,767
Retirement Expense	378,000	378,000	298,591	79,409
Total Payroll/Benefits	<u>2,686,678</u>	<u>2,686,678</u>	<u>2,353,321</u>	<u>333,357</u>
Materials & Supplies				
Materials - supplies	200,000	200,000	167,724	32,276
Gasoline	90,000	90,000	95,852	(5,852)
Diesel	68,000	68,000	71,075	(3,075)
Oil	6,500	6,500	7,682	(1,182)
Tires	25,000	25,000	22,626	2,374
Concrete	17,000	17,000	17,381	(381)

OWYHEE IRRIGATION DISTRICT

Schedule of Revenues and Expenses and Changes in Fund Balance

- Budget and Actual

For The Year Ended December 31, 2021

OPERATIONS AND MAINTENANCE FUND

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance w/ Final Budget</i>
Wood	4,000	4,000	-	4,000
Steel	11,000	11,000	6,207	4,793
Betterments	500	500	8,000	(7,500)
Shop expenses	17,000	17,000	17,184	(184)
Kingman Pump	5,000	5,000	-	5,000
Ontario - Nyssa Pump	25,000	25,000	18,177	6,823
Owyhee Ditch Pump	30,000	30,000	4,164	25,836
South Advancement	5,000	5,000	5,524	(524)
North Advancement	2,500	2,500	-	2,500
Dead Ox Pumping	37,400	37,400	81,244	(43,844)
Employee Meetings	2,500	2,500	1,388	1,112
Wood Cutting	500	500	-	500
Company Houses	3,000	3,000	2,112	888
Owyhee Dam - Hydro	4,000	4,000	2,085	1,915
Mitchell Butte - Hydro	4,000	4,000	2,725	1,275
Tunnel	4,000	4,000	16,739	(12,739)
Pipeline Project	40,000	40,000	31,843	8,157
Kingman Lateral - Liner	5,000	5,000	-	5,000
Locket Gulch Automation	3,200	3,200	6,353	(3,153)
Henrys Gulch Automation	3,200	3,200	6,354	(3,154)
GIS Snively Stabilization Project	3,200	3,200	6,354	(3,154)
Feedlot Project	-	-	222,443	(222,443)
Malheur Siphon Project	85,000	85,000	-	85,000
Langemann Gates - Cow Hollow	70,000	70,000	20,160	49,840
Tunnel Canyon	3,200	3,200	6,354	(3,154)
Sarizan Automation	3,200	3,200	6,354	(3,154)
Stephens Spill	3,200	3,200	6,411	(3,211)
Sheep Creek Automation	3,200	3,200	6,354	(3,154)
Last Chance Pond	71,497	71,497	78,500	(7,003)
Malheur Siphon Automation	3,200	3,200	6,354	(3,154)
Jacobson Gulch Automation	4,400	4,400	10,879	(6,479)
Gopher Reimbursement	30,000	30,000	16,838	13,162
Total Material & Supplies	893,397	893,397	979,438	(86,041)
Dam O&M				
Dam O&M - Payroll	72,100	72,100	84,297	(12,197)
Dam O&M - Payroll Taxes	5,768	5,768	7,915	(2,147)
Dam O&M - Retirement	17,850	17,850	19,423	(1,573)
Dam O&M - Group Health	20,258	20,258	-	20,258
Dam O&M - Workers Comp	2,000	2,000	-	2,000
Dam O&M - Manley Services	10,000	10,000	1,231	8,769
Dam O&M - Materials & Supplies	25,000	25,000	32,190	(7,190)
Dam O&M - Other Purchases	25,000	25,000	46	24,954
Dam O&M - Vehicle Operations C	3,500	3,500	11	3,489
Dam O&M - Equipment Operations	3,500	3,500	-	3,500
Dam O&M - Insurance	7,500	7,500	19,532	(12,032)

OWYHEE IRRIGATION DISTRICT

Schedule of Revenues and Expenses and Changes in Fund Balance

- Budget and Actual

For The Year Ended December 31, 2021

OPERATIONS AND MAINTENANCE FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance w/ Final Budget</u>
Dam O&M - Equipment Purchases	-	-	2,259	(2,259)
Dam O&M - Telephone	13,000	13,000	8,554	4,446
Dam O&M - Legal	1,000	1,000	-	1,000
Dam O&M - Betterments	10,500	10,500	-	10,500
Dam O&M - Ring Gates Repairs	40,000	40,000	3,232	36,768
Dam O&M - Elevator Project	5,000	5,000	6,756	(1,756)
Dam O&M - Jet Flow Valves	2,000	2,000	-	2,000
Dam O&M - Snow Surveys	1,500	1,500	-	1,500
Dam O&M - Rental Income	(21,000)	(21,000)	(20,549)	(451)
Total Dam O&M	<u>244,476</u>	<u>244,476</u>	<u>164,897</u>	<u>79,579</u>
Power for Pumping				
Bureau Power	588,000	588,000	522,913	65,087
Total Power For Pumping	<u>588,000</u>	<u>588,000</u>	<u>522,913</u>	<u>65,087</u>
Utilities				
Utilities	30,000	30,000	27,149	2,851
Telephone	13,100	13,100	12,801	299
Cellular Phones	12,000	12,000	10,959	1,041
Internet Services	7,000	7,000	7,652	(652)
Total Utilities	<u>62,100</u>	<u>62,100</u>	<u>58,561</u>	<u>3,539</u>
Audit & Legal Fees				
Legal	16,500	16,500	8,081	8,419
Retainer	16,000	16,000	16,666	(666)
Legal Lien	600	600	-	600
Audit	10,000	10,000	9,850	150
Bookkeeping	27,000	27,000	29,445	(2,445)
Total Audit & Legal Fees	<u>70,100</u>	<u>70,100</u>	<u>64,042</u>	<u>6,058</u>
Office Supplies				
Office Supplies	17,000	17,000	11,739	5,261
Regular Office Repairs	12,500	12,500	2,968	9,532
Other Improvements	5,000	5,000	-	5,000
Ontario Office/Shop Supply	-	-	-	-
Nyssa Office/Shop Supply	1,000	1,000	531	469
Safety Comm Supplies	2,000	2,000	5,729	(3,729)
Janitorial	-	-	28	(28)
Real Estate Improvements	27,500	27,500	17,494	10,006
Computer Prog/Service	5,000	5,000	-	5,000
Computer Prog/Howard	18,000	18,000	-	18,000
Computer Program Service Agreement	-	-	1,289	(1,289)
Total Office Supplies	<u>88,000</u>	<u>88,000</u>	<u>39,778</u>	<u>48,222</u>
Insurance				
Insurance	119,500	119,500	128,010	(8,510)
Total Insurance	<u>119,500</u>	<u>119,500</u>	<u>128,010</u>	<u>(8,510)</u>

OWYHEE IRRIGATION DISTRICT

Schedule of Revenues and Expenses and Changes in Fund Balance - Budget and Actual

For The Year Ended December 31, 2021

OPERATIONS AND MAINTENANCE FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance w/ Final Budget</u>
Dues & Licenses				
Dues	44,370	44,370	47,760	(3,390)
Total Dues & Licenses	<u>44,370</u>	<u>44,370</u>	<u>47,760</u>	<u>(3,390)</u>
Weed Control				
Weed Control	10,000	10,000	8,922	1,078
Weed Control - Hand	500	500	-	500
Weed Control - Chemicals	17,925	17,925	8,888	9,037
Weed Control - Moss	622,725	622,725	476,268	146,457
Weeding - Equipment & Repair	-	-	-	-
SPCC Plan Expense	6,000	6,000	-	6,000
Total Weed Control	<u>657,150</u>	<u>657,150</u>	<u>494,078</u>	<u>163,072</u>
Miscellaneous				
Depreciation	-	-	-	-
Snow Survey	-	-	587	(587)
Owyhee Ditch Advance	22,000	22,000	77,987	(55,987)
Directors Fee - Mileage	5,000	5,000	3,886	1,114
Director Travel	1,500	1,500	-	1,500
Secretary Travel	1,500	1,500	-	1,500
Misc. Expense	30,000	30,000	19,580	10,420
GSI Maintenance	8,750	8,750	2,500	6,250
Total Miscellaneous	<u>68,750</u>	<u>68,750</u>	<u>104,540</u>	<u>(35,790)</u>
Equipment Purchases				
Software for Water System	4,000	4,000	17,650	(13,650)
Computer Hardware	6,160	6,160	4,134	2,026
Vehicle	60,000	60,000	54,500	5,500
Heavy Equipment	30,000	30,000	345,787	(315,787)
Equipment - Radio	3,000	3,000	1,301	1,699
Backhoe - Lease pmt	17,084	17,084	-	-
Cat Excavator - Lease pmt	24,797	24,797	1,240	23,557
Capital Improvements	22,357	22,357	-	22,357
Backhoe Acquisition	25,000	25,000	-	25,000
Equipment - Phone System	2,000	2,000	-	2,000
Total Equipment Purchases	<u>194,398</u>	<u>194,398</u>	<u>424,612</u>	<u>(247,298)</u>
Interest	-	-	19,244	(19,244)
Total Interest	<u>-</u>	<u>-</u>	<u>19,244</u>	<u>(19,244)</u>
Total Expenses	<u>5,716,919</u>	<u>5,716,919</u>	<u>5,401,194</u>	<u>298,641</u>
Excess Income (Expense)	<u>\$ (411,478)</u>	<u>\$ (411,478)</u>	<u>\$ 120,429</u>	<u>\$ 514,823</u>
Reconciliation:				
Expenditures capitalized			756,179	
Depreciation expense			(237,269)	
Debt payment			-	
Change in Net Position (page 25)			<u>\$ 639,339</u>	

OWYHEE IRRIGATION DISTRICT
 Reconciliation of Budgetary Revenue and Expenditures
 To Proprietary Revenue and Expenses
 For The Year Ended December 31, 2021

Operations & Maintenance

	Revenues	Expenditures
Budgetary Basis:		
Operations and Maintenance	\$ 5,182,593	\$ 5,401,194
Grant - pipe projects	39,083	
Interest Income	18,089	-
Depreciation	-	237,269
Expenditures Capitalized	-	(756,179)
Gain (Loss) on Sale of Fixed Assets	65,995	-
Payroll Protection Program loan forgiveness	215,863	-
	\$ 5,521,623	\$ 4,882,284

Proprietary Basis:

Operating	\$ 5,182,593	\$ 4,882,284
Non-operating	299,947	-
Other capital items	39,083	-
	\$ 5,521,623	\$ 4,882,284

Total - Page 24

**AUDIT COMMENTS AND DISCLOSURES
REQUIRED BY STATE
REGULATIONS**

Brian L. Richins, P.C.

Certified Public Accountant

Independent Auditor's Report Required by Oregon State Regulations

Owner:
Brian L. Richins
C.P.A.

To the Board of Directors
Owyhee Irrigation District
Nyssa, Oregon 97913

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Phone: 208-452-5625
Fax: 208-452-5624

We have audited the modified cash basis financial statements of the Owyhee Irrigation District as of and for the year ended December 31, 2021, and have issued our report thereon dated May 24, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Email:
brichins@richinscpa.com

Compliance

Member:
American Institute of
Certified Public
Accountants
Oregon Society of CPA's
Idaho Society of CPA's

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

Staff:
Christopher Marlin
cmarlin@richinscpa.com

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

- Deposit of public funds with financial institutions (ORS Chapter 295)
- Indebtedness limitations, restrictions and repayment
- 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)

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, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

Services:
Income Tax Preparation &
Tax Planning
Individuals
Corporations
Partnerships
Financial Audits
Government Audits
Not-For-Profit Audits
Bookkeeping
Financial Planning
Estate Planning
Computer Accounting

Independent Auditor's Report – Continued

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Restrictions on Use

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

Brian L. Richins, P.C.
Certified Public Accountant

By: Brian L. Richins
Brian L. Richins
May 24, 2022