

OWYHEE IRRIGATION DISTRICT

Report on Audited
Basic
Financial Statements

For the Year Ended December 31, 2022

Table of Contents

	<u>Page</u>
Title Page	1
Independent Auditor's Report	2
BASIC FINANCIAL STATEMENTS	
Statement of Net Position – Proprietary Funds	5
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	6
Statement of Cash Flows – Proprietary Funds	7
Notes to the Financial Statements	9
Supplementary Information	
Combining Statement of Net Position – Proprietary Funds	30
Combining Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	31
Combining Statements of Cash Flows – Proprietary Funds	32
Combining Statements of Net Position – Component Units	34
Combining Statements of Revenues, Expenses, Changes in Net Position – Component Units	35
Combining Statements of Cash Flows – Component Units	36
Schedule for Acreage Assessments Receivables	38
Schedule of Revenues and Expenses – Budget and Actual Budgetary Basis – Operation and Maintenance Fund	39
Schedule of Revenues and Expenses and Changes in Fund Balance Budget and Actual – Budgetary Basis for Operations and Maintenance Fund	40
STATE REPORTS	
Independent Auditor's Report Required by Oregon State Regulations	45

Owyhee Irrigation District

Board of Directors

Dan Tschida	President	4321 Community RD #R3, Ontario, OR 97914
Frank Ausman	Vice President	872 Enterprise Ave, Nyssa OR 97913
Bruce Corn	Secretary	650 NW 20 th Ave #26, Ontario, OR 97914
Eric White	Member	2257 Hwy #201, Nyssa, OR 97913
Greg Clark	Member	PO Box 83, Weiser, ID 83672

Registered Office:

422 Thunderegg Blvd
Nyssa, Oregon 97913

Registered Agent:

Michael Horton Attorney 105 Main Street, Nyssa, OR 97913

Administrators

Clancy Flynn Project Manager Vale, Oregon



ZWYGART JOHN
CERTIFIED PUBLIC ACCOUNTANTS

Zwygart John & Associates CPAs, PLLC

16130 North Merchant Way, Suite 120 ♦ Nampa, Idaho 83687

Phone: 208-459-4649 ♦ FAX: 208-229-0404

Independent Auditor's Report

Board of Directors
Owyhee Irrigation District
Nyssa, Oregon 97913

Report on the Audit of the Financial Statements

Opinions

We have audited the modified cash basis financial statements of the business-type activities, the aggregate discretely presented component units, and the fund information of Owyhee Irrigation District (the District), as of and for the year ended December 31, 2022, 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 modified cash basis financial position of the business-type activities, the aggregate discretely presented component units, and the fund information of Owyhee Irrigation District, as of December 31, 2022, and the respective changes in financial position-modified cash basis and cash flows 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 (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 the 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 for the Financial Statements

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting principles as described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. The District is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 the 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Owyhee Irrigation District's basic financial statements. The introductory section and supplemental information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applies 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as whole.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated June 20, 2023 on our consideration of the District's compliance with certain provisions of law as and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon the results of that testing and not to provide an opinion on compliance.

Zwygart John & Associates, CPAs, PLLC

By: *John Russell*

Nampa, Idaho
June 20, 2023

Owyhee Irrigation District
Statement of Net Position
December 31, 2022
(Modified Cash Basis)

	Enterprise Fund	Component Units
Assets		
Current Assets:		
Cash and Cash Equivalents	\$ 1,387,156	-
Total Current Assets	1,387,156	-
Capital Assets:		
Irrigation System	12,886,182	-
Land	96,145	-
Irrigation Improvements	4,421,358	-
Equipment	3,665,358	-
Dam Power Projects	2,944,614	31,266,769
Accumulated Depreciation	(5,392,238)	(19,216,951)
Total Capital Assets	18,621,419	12,049,818
Other Assets:		
Restricted Cash	709,690	827,272
Investment in Power Projects - Components	359,617	-
Total Other Assets	1,069,307	827,272
Total Assets	21,077,882	12,877,090
Liabilities		
Current Liabilities:		
Compensated Absences	173,119	-
Current Portion of Long-Term Debt	186,967	-
Total Current Liabilities	360,086	-
Long-Term Debt:		
Notes Payable	51,652	-
Owyhee Project - USBR Construction Contract	6,539,177	-
Revenue Bond - 201A		945,833
Total Noncurrent Liabilities	6,590,829	-
Total Liabilities	6,950,915	945,833
Net Position		
Net Investment in Capital Assets	11,843,623	11,103,985
Restricted	709,690	827,272
Unrestricted	1,573,654	-
Total Net Position	\$ 14,126,967	\$ 11,931,257

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

Owyhee Irrigation District
Statement of Revenues, Expenses,
and Changes in Fund Net Position
For the Year Ended December 31, 2022

	Enterprise Fund	Component Units
Operating Revenue		
Water and Structure Fees	\$ 4,605,638	\$ -
Reimbursements and Miscellaneous Income	413,982	8,061
Power Sales	83,115	401,655
Total Operating Revenue	5,102,735	409,716
Operating Expenses		
Payroll Expenses	2,579,457	-
Material and Supplies	669,205	-
Dam O & M	180,941	-
Operations and Administration Charges	-	139,351
Power for Pumping	572,013	-
Utilities	68,745	5,896
Fees	-	19,194
Professional and Consulting Fees	73,036	39,367
Office Supplies	50,785	6,120
Insurance	157,592	108,097
Dues and Licenses	78,402	22,709
Depreciation Expense	308,184	625,060
Weed Control	625,437	-
Equipment Purchases	33,011	-
Repairs and Maintenance	30,063	-
Projects	294,624	-
Miscellaneous	99,485	5,775
Total Operating Expenses	5,820,980	971,569
Net Loss From Operations	(718,245)	(561,853)
Non-Operating Revenue (Expenses)		
Interest on Investments	31,540	8,622
Interest Expense	(12,759)	(45,833)
Payroll Protection Program Loan Forgiveness	450,441	-
Grant Income for Pipe Projects	237,109	-
Gain on Sale of Equipment	13,545	-
Total Non-Operating Revenue (Expenses)	719,876	(37,211)
Change in Net Position	1,631	(599,064)
Total Net Position - Beginning	14,125,336	12,530,321
Total Net Position - Ending	\$ 14,126,967	\$ 11,931,257

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

Owyhee Irrigation District
Statement of Cash Flows
For the Year Ended December 31, 2022

	Enterprise Fund	Component Units
Cash Flow From Operating Activities		
Receipts from Users	\$ 5,102,735	\$ 409,716
Payments for Goods and Services	(2,933,339)	(346,509)
Payments to Employees	(2,598,413)	-
Net Cash Provided by (Used in) Operating Activities	(429,017)	63,207
Cash Flows From Noncapital Financing Activities		
Transfers from (to) other funds	-	-
Net Cash Provided by Noncapital Financing Activities	-	-
Cash Flows From Capital and Related Financing Activities		
Acquisition of capital assets	(663,536)	-
Construction grants	237,109	-
Proceeds from sale of assets	13,545	-
Interest paid on bonds and notes	(12,759)	(45,833)
Principal paid on bonds and notes	(140,221)	(54,167)
Net Cash Used in Capital and Related Financing Activities	(565,862)	(100,000)
Cash Flows From Investing Activities		
Loan Receivable Payments Received		
Interest on Investments	31,540	8,621
Net Cash Provided by Investing Activities	31,540	8,621
Net Decrease in Cash and Cash Equivalents	(963,339)	(28,172)
Cash and Cash Equivalents - Beginning	3,060,185	855,444
Cash and Cash Equivalents - Ending	\$ 2,096,846	\$ 827,272
Displayed As:		
Cash and Cash Equivalents	\$ 1,387,156	\$ -
Restricted Cash	709,690	827,272
	\$ 2,096,846	\$ 827,272
Noncash Transaction		
Forgiveness of Debt	\$ 450,441	\$ -

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

Owyhee Irrigation District
Statement of Cash Flows (continued)
For the Year Ended December 31, 2022

	Enterprise Fund	Component Units
Reconciliation of Net Loss From Operations to Net Cash Used in Operating Activities:		
Operating Income		
Net Loss From Operations	\$ (718,245)	\$ (561,853)
Adjustments to Reconcile Net Loss From Operations to Net Cash Used in Operating Activities:		
Depreciation	308,184	625,060
Changes in Assets and Liabilities:		-
Increase in Payroll Liabilities	5,891	-
Decrease in Compensated Absences	(24,847)	-
Net Cash Used in Operating Activities	\$ (429,017)	\$ 63,207

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

Owyhee Irrigation District
Notes to the Financial Statements
For the Year Ended December 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements present the activities of Owyhee Irrigation District (the District). The accounting policies of the Owyhee Irrigation District follow 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 significant accounting 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

Owyhee Irrigation District
Notes to the Financial Statements
For the Year Ended December 31, 2022

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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 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.

The accompanying financial statements present the activities of the Owyhee Irrigation District (the District), which has responsibility and control over all activities within the District. The District receives funding from local, state, and federal government sources and must comply with all of the requirements of these funding source entities. However, the District is not included in any other governmental reporting entity as defined by generally accepted accounting principles. Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters. In addition, the District's reporting entity does not contain any component units as defined in Governmental Accounting Standards.

B. Bases of Presentation and Accounting

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.

The District has the following major proprietary fund:

- Operation & Maintenance - This is the District's primary operating fund. It accounts for all financial resources of the District.

Owyhee Irrigation District
Notes to the Financial Statements
For the Year Ended December 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- Mitchell Butte Power Project – This fund accounts for all financial resources used for the Mitchell Butte project.

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.

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 the Financial Statements
For the Year Ended December 31, 2022

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. According to State Statute ORS 545 and 294.316 Local Budget Law does not 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. See Note 2.

Receivables and Payables

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

Assessments

Annual bills are ailed 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.

Owyhee Irrigation District
Notes to the Financial Statements
For the Year Ended December 31, 2022

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Capital Assets

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.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the proprietary funds are shown below:

<u>Assets</u>	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings and Improvements	\$5,000	Straight Line	30-40
Systems Infrastructure	\$5,000	Straight Line	20-50
Vehicles and Equipment	\$5,000	Straight Line	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.

Owyhee Irrigation District
Notes to the Financial Statements
For the Year Ended December 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences

The District presently accumulates unused vacation days calculated on an individual basis according to an employee's total years. All accumulated vacation time represents a potential liability to the District.

Long-Term Obligations

Long-term debts are reported as liabilities in the statement of net position, and statement of net position – proprietary funds.

- A. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- B. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- C. Unrestricted net position - 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

Owyhee Irrigation District
Notes to the Financial Statements
For the Year Ended December 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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. CASH AND INVESTMENTS

As of December 31, 2022, the cash balances consisted of:

	Operation and Maintenance Fund	Mitchell Bute Power Project Fund	Component Units		Total Fair Market Value
			Owyhee Dam Power Project Fund	Tunnel #1 Power Project Fund	
Cash and Cash Equivalent	\$ 644,577	\$ 96,362	\$ -	\$ 197,357	\$ 938,296
External Investment Pool	1,227,713	128,194	-	629,915	1,985,822
Total Cash	\$ 1,872,290	\$ 224,556	\$ -	\$ 827,272	\$ 2,924,118

Owyhee Irrigation District
Notes to the Financial Statements
For the Year Ended December 31, 2022

3. CASH AND INVESTMENTS (continued)

The cash is reported as undesignated, designated, and restricted cash as follows:

	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	
Undesignated	\$ 973,100	\$ 224,556	\$ -	\$ -	\$ 1,197,656
Designated:					
Equipment	53,500	-	-	-	53,500
Environmental	136,000	-	-	-	136,000
Restricted	709,690	-	-	827,272	1,536,962
Total Cash	\$ 1,872,290	\$ 224,556	\$ -	\$ 827,272	\$ 2,924,118

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.

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 deposits of Owyhee Irrigation District and Mitchell Butte is \$644,502 and \$96,362, respectively, which was covered by FDIC coverage and collateralized by the Oregon Public Funds Collateralization Program. At December 31, 2021, bank balances of \$688,104 and \$96,362 for Owyhee Irrigation District and Mitchell Butte, respectively, were insured or collateralized. Differences are due to transactions in process. The District also had a \$75 of cash on hand.

Owyhee Irrigation District
Notes to the Financial Statements
For the Year Ended December 31, 2022

3. CASH AND INVESTMENTS (continued)

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.

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.

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

Owyhee Irrigation District
Notes to the Financial Statements
For the Year Ended December 31, 2022

3. CASH AND INVESTMENTS (continued)

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 policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

4. DESIGNATED AND RESTRICTED, CASH AND INVESTMENTS

Operation and Maintenance Fund

The Board has set aside 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 the Financial Statements
For the Year Ended December 31, 2022

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, 2022:

	Balance 12/31/2022	Balance when Fully Funded
Power Project		
Project Revenue Fund	197,357	\$ -
Project Cash Reserve Account	629,915	650,000
	\$ 827,272	\$ 650,000

5. RISK MANAGEMENT

The District is exposed to a considerable number of risk of loss including, but not limited to, a) damage to and loss of property and contents, b) employee torts, c) professional liabilities, i.e. errors and omissions, d) environmental damage, e) worker's compensation, i.e. employee injuries, and f) medical insurance costs of its employees. Commercial insurance policies are purchased to transfer the risk of loss for property and content damage, employee torts, and professional liabilities.

6. EMPLOYEE BENEFITS

Vacation and sick leave are granted to all regular employees. In the event of termination, an employee is reimbursed for accumulated vacation pay but not sick leave. A summary of the current-year activity and year-end liability is as follows:

12/31/2021	Increase	Decrease	12/31/2022	Current Portion
\$ 197,966	\$ 157,834	\$(182,681)	\$ 173,119	\$ 173,119

Owyhee Irrigation District
Notes to the Financial Statements
For the Year Ended December 31, 2022

7. CAPITAL ASSETS

Capital asset activity for the fiscal year ended December 31, 2022, was as follows:

Business-Type Activities:

Operating and Maintenance Fund	Balance			Balance
	<u>12/31/2021</u>	Additions	Deletions	<u>12/31/2022</u>
Nondepreciable Capital Assets:				
Land & Irrigation System	\$ 12,941,001	\$ -	\$ -	\$ 12,941,001
Total Nondepreciable Capital Assets	<u>12,941,001</u>	<u>-</u>	<u>-</u>	<u>12,941,001</u>
Depreciable Capital Assets:				
Buildings	387,294	-	-	387,294
Irrigation Improvements	4,002,378	418,980	-	4,421,358
Equipment	2,958,013	243,531	(12,049)	3,189,495
Total Depreciable Capital Assets	<u>7,347,685</u>	<u>662,511</u>	<u>(12,049)</u>	<u>7,998,147</u>
Less: Accumulated Depreciation				
Buildings	21,179	7,749	-	28,928
Irrigation Improvements	808,318	81,013	-	889,331
Equipment	2,257,552	160,533	(12,049)	2,406,036
Total Accumulated Depreciation	<u>3,087,049</u>	<u>249,295</u>	<u>(12,049)</u>	<u>3,324,295</u>
Net Depreciable Capital Assets	<u>4,260,636</u>	<u>413,216</u>	<u>-</u>	<u>4,673,852</u>
Total Net Assets	<u>\$ 17,201,637</u>	<u>\$ 413,216</u>	<u>\$ -</u>	<u>\$ 17,614,853</u>
Mitchell Butte Power Project	Balance			Balance
	<u>12/31/2021</u>	Additions	Deletions	<u>12/31/2022</u>
Nondepreciable Capital Assets:				
Land & Irrigation System	\$ 41,326	\$ -	\$ -	\$ 41,326
Total Nondepreciable Capital Assets	<u>41,326</u>	<u>-</u>	<u>-</u>	<u>41,326</u>
Depreciable Capital Assets:				
Equipment	88,569	-	-	88,569
Power Projects	2,944,614	-	-	2,944,614
Total Depreciable Capital Assets	<u>3,033,183</u>	<u>-</u>	<u>-</u>	<u>3,033,183</u>
Less: Accumulated Depreciation				
Equipment	88,569	-	-	88,569
Power Projects	1,920,482	58,892	-	1,979,374
Total Accumulated Depreciation	<u>2,009,051</u>	<u>58,892</u>	<u>-</u>	<u>1,979,374</u>
Net Depreciable Capital Assets	<u>1,024,132</u>	<u>(58,892)</u>	<u>-</u>	<u>1,053,809</u>
Total Net Assets	<u>1,024,132</u>	<u>(58,892)</u>	<u>-</u>	<u>1,053,809</u>
<i>Total Business-Type Activities Capital Assets, Net</i>	<u>\$ 18,225,769</u>	<u>\$ 354,324</u>	<u>\$ -</u>	<u>\$ 18,668,662</u>

Owyhee Irrigation District
Notes to the Financial Statements
For the Year Ended December 31, 2022

7. CAPITAL ASSETS (continued)

Component Units - Hydroelectric Power Projects	Balance 12/31/2021	Additions	Deletions	Balance 12/31/2022
Depreciable Capital Assets:				
Power Projects	\$ 31,266,769	\$ -	\$ -	\$ 31,266,769
Total Depreciable Capital Assets	<u>31,266,769</u>	<u>-</u>	<u>-</u>	<u>31,266,769</u>
Less: Accumulated Depreciation				
Power Projects	18,591,893	625,058	-	19,216,951
Total Accumulated Depreciation	<u>18,591,893</u>	<u>625,058</u>	<u>-</u>	<u>19,216,951</u>
Net Depreciable Capital Assets	<u>12,674,876</u>	<u>(625,058)</u>	<u>-</u>	<u>12,049,818</u>
Total Net Assets	<u>\$ 12,674,876</u>	<u>\$ (625,058)</u>	<u>\$ -</u>	<u>\$ 12,049,818</u>

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

	<u>O & M</u>	<u>Mitchel Butte Power & Project</u>	<u>Component Units</u>
Business-Type Activities:			
Owyhee Irrigation	\$ 249,295	\$ -	\$ -
Hydroelectric Power Project	-	58,892	625,058
Total Depreciation Expense	<u>\$ 249,295</u>	<u>\$ 58,892</u>	<u>\$ 625,058</u>

8. 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>\$ 15,076,273</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.

Owyhee Irrigation District
Notes to the Financial Statements
For the Year Ended December 31, 2022

9. **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.

10. **LONG-TERM OBLIGATIONS**

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 paid in full in May 2022.

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.

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.

Owyhee Irrigation District
Notes to the Financial Statements
For the Year Ended December 31, 2022

10. LONG-TERM OBLIGATIONS (continued)

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.

The changes in long-term obligations for the year ended December 31, 2022 are as follows:

	Mature		12/31/21	Increase	Decrease	12/31/22	Current Portion
	Date	Rate					
PPP Loan Payable	2022	1.00%	\$450,441	\$ -	(\$450,441)	\$ -	\$ -
John Deere 310 HL	2022	3.15%	16,873	-	(16,873)	-	-
2021 CAT 430 Backhoe Loader	2025	3.54%	99,974	-	(23,703)	76,271	24,619
CAT Hydraulic Excavator	2023	5.05%	98,611	-	(18,157)	80,454	80,454
Malheur Siphon Project	2023	1.87%	163,382	-	(81,488)	81,894	81,894
			<u>\$829,281</u>	<u>\$ -</u>	<u>(\$590,662)</u>	<u>\$238,619</u>	<u>\$ 186,967</u>

A schedule of future payment requirements of Operations & Maintenance loans are as follows:

Year Ended	Principal	Interest	Payment
December 31,			
2023	\$186,967	\$ 10,018	\$196,985
2024	25,485	1,841	27,326
2025	26,167	934	27,101
	<u>\$ 238,619</u>	<u>\$ 12,792</u>	<u>\$ 251,411</u>

Interest expense for the year for Operations & Maintenance was \$13,051. No interest was capitalized during the year.

Owyhee Irrigation District
Notes to the Financial Statements
For the Year Ended December 31, 2022

10. LONG-TERM OBLIGATIONS (continued)

Component Units - Hydroelectric Power Projects

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 mega-watt 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.

The changes in long-term obligations for the year ended December 31, 2022 are as follows:

	Mature					Current	
	Date	Rate	12/31/21	Increase	Decrease	12/31/22	Portion
Tunnel #1 Power Project	2036	5.00%	\$1,000,000	\$ -	(\$54,167)	\$ 945,833	\$ -
			<u>\$1,000,000</u>	<u>\$ -</u>	<u>(\$54,167)</u>	<u>\$945,833</u>	<u>\$ -</u>

Owyhee Irrigation District
Notes to the Financial Statements
For the Year Ended December 31, 2022

10. LONG-TERM OBLIGATIONS (continued)

A schedule of future payment requirements of loan 201A is as follows:

Year Ended December 31,	Principal	Interest	Payment
2023	\$ -	\$ 50,000	\$245,222
2024	-	50,000	77,285
2025	-	50,000	77,012
2026	-	50,000	50,000
2027	945,833	82,725	1,082,725
	<u>\$ 945,833</u>	<u>\$ 282,725</u>	<u>\$ 1,532,244</u>

Interest expense for the year for the component units was \$45,833. No interest was capitalized during the year.

11. RETIREMENT SYSTEMS AND PENSION 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.

Owyhee Irrigation District
Notes to the Financial Statements
For the Year Ended December 31, 2022

11. RETIREMENT SYSTEMS AND PENSION PLANS (continued)

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.

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 27.14% and 22.78%, respectively. The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

Owyhee Irrigation District
Notes to the Financial Statements
For the Year Ended December 31, 2022

11. RETIREMENT SYSTEMS AND PENSION PLANS (continued)

Annual Pension Cost

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

	Year Ended December 31,		
	2022	2021	2020
District Average Contribution Rate	22.78%	23.94%	23.94%
Employee Contribution Rate Included	6.00%	6.00%	6.00%
Total District Payroll	\$ 1,812,239	\$ 1,598,071	\$ 1,583,026
Covered District Payroll	\$ 1,672,199	\$ 1,361,201	\$ 1,443,409
Annual Pension Cost	\$ 380,927	\$ 318,015	\$ 327,060
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 the Financial Statements
For the Year Ended December 31, 2022

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, 2022 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

Owyhee Irrigation District
Notes to the Financial Statements
For the Year Ended December 31, 2022

12. OTHER POSTEMPLOYMENT BENEFITS (continued)

entity's financial statements. This liability does not result from a cash transaction and is not included on the District's balance sheet.

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 2022 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.

16. OTHER COMMITMENTS

The District has credit cards available for use with a total credit limit of \$131,000 . As of December 31, 2022, \$10,465 of the available credit was in use.

SUPPLEMENTARY INFORMATION

Owyhee Irrigation District
Combining Statement of Net Positions - Proprietary Funds
December 31, 2022
(Modified Cash Basis)

	Operation and Maintenance Fund	Mitchell Butte Power Project	Total
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ 1,162,600	\$ 224,556	\$ 1,387,156
Total Current Assets	<u>1,162,600</u>	<u>224,556</u>	<u>1,387,156</u>
Capital Assets:			
Irrigation System	12,886,182	-	12,886,182
Land	54,819	41,326	96,145
Irrigation Improvements	4,421,358	-	4,421,358
Equipment	3,576,789	88,569	3,665,358
Dam Power Projects	-	2,944,614	2,944,614
Accumulated Depreciation	(3,324,295)	(2,067,943)	(5,392,238)
Total Capital Assets	<u>17,614,853</u>	<u>1,006,566</u>	<u>18,621,419</u>
Other Assets:			
Restricted cash	709,690	-	709,690
Due from Other Funds	287,585	-	287,585
Investment in power projects	359,617	-	359,617
Total Other Assets	<u>1,356,892</u>	<u>-</u>	<u>1,356,892</u>
Total Assets	<u>\$ 20,134,345</u>	<u>\$ 1,231,122</u>	<u>\$ 21,365,467</u>
Liabilities			
Current Liabilities:			
Compensated Absences	173,119	-	173,119
Current Portion of Long-Term Debt	186,967	-	186,967
Total Current Liabilities	<u>360,086</u>	<u>-</u>	<u>360,086</u>
Long-Term Debt:			
Due to Other Funds	-	287,585	287,585
Owyhee Project - USBR Construction Contract	6,539,177	-	6,539,177
Notes Payable	51,652	-	51,652
Total Noncurrent Liabilities	<u>6,590,829</u>	<u>287,585</u>	<u>6,878,414</u>
Total Liabilities	<u>6,950,915</u>	<u>287,585</u>	<u>7,238,500</u>
Net Position			
Net Investment in Capital Assets	10,837,057	1,006,566	11,843,623
Restricted	709,690	-	709,690
Board restricted	189,500	-	189,500
Unrestricted	1,447,183	(63,029)	1,384,154
Total Net Position	<u>\$ 13,183,430</u>	<u>\$ 943,537</u>	<u>\$ 14,126,968</u>

Owyhee Irrigation District
Combining Statement of Revenues, Expenses, And Changes in Net Positions - Proprietary Funds
For the Year Ended December 31, 2022
(Modified Cash Basis)

	Operation and Maintenance Fund	Mitchell Butte Power Project	Total
Operating Revenues			
Water and Structure Fees	\$ 4,605,638	\$ -	\$ 4,605,638
Reimbursements and Miscellaneous	413,982	-	413,982
Power Sales	-	83,115	83,115
Total Operating Revenues	<u>5,019,620</u>	<u>83,115</u>	<u>5,102,735</u>
Operating Expenses			
Payroll Expense	2,579,457	-	2,579,457
Material and Supplies	669,205	-	669,205
Dam O & M	29,675	151,266	180,941
Power for Pumping	572,013	-	572,013
Utilities	63,546	5,199	68,745
Professional and Consulting Fees	68,387	4,649	73,036
Office Supplies and Expenses	50,629	156	50,785
Insurance	157,592	-	157,592
Dues and Licenses	72,897	5,505	78,402
Depreciation	249,292	58,892	308,184
Weed Control	625,437	-	625,437
Equipment Purchases	33,011	-	33,011
Repairs and Maintenance	30,063	-	30,063
Projects	294,624	-	294,624
Miscellaneous	99,474	11	99,485
Total Operating Expenses	<u>5,595,302</u>	<u>225,678</u>	<u>5,820,980</u>
Operating Income	<u>(575,682)</u>	<u>(142,563)</u>	<u>(718,245)</u>
Non-Operating Revenues			
Interest on Investments	29,815	1,725	31,540
Interest Expense	(12,759)	-	(12,759)
Payroll Protection Program Loan Forgiveness	450,441	-	450,441
Capital Construction Grants	237,109	-	237,109
Gain on Sale of Fixed Assets	13,545	-	13,545
Total Non-Operating Revenues	<u>718,151</u>	<u>1,725</u>	<u>719,876</u>
Change in Net Position	142,469	(140,838)	1,631
Net Position - Beginning of Year	<u>13,040,961</u>	<u>1,084,375</u>	<u>14,125,336</u>
Net Position - End of Year	<u>13,183,430</u>	<u>943,537</u>	<u>14,126,967</u>

Owyhee Irrigation District
Combining Statement of Cash Flows - Proprietary Funds
For the Year Ended December 31, 2022

	Operations & Maintenance Fund	Mitchell Butte Power Project	Total
Cash Flow From Operating Activities			
Receipts from Users	\$ 5,019,620	\$ 83,115	\$ 5,102,735
Payments for Goods and Services	(2,766,553)	(166,786)	(2,933,339)
Payments to Employees	(2,598,413)		(2,598,413)
Net Cash Used in Operating Activities	<u>(345,346)</u>	<u>(83,671)</u>	<u>(429,017)</u>
Cash Flows From Noncapital Financing Activities			
Transfers from (to) other funds	-	-	-
Net Cash Provided by Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities			
Acquisition of capital assets	(663,536)	-	(663,536)
Construction grants	237,109	-	237,109
Proceeds from sale of assets	13,545	-	13,545
Interest paid on bonds and notes	(12,759)	-	(12,759)
Principal paid on bonds and notes	(140,221)	-	(140,221)
Net Cash Used in Capital and Related Financing Activities	<u>(565,862)</u>	<u>-</u>	<u>(565,862)</u>
Cash Flows From Investing Activities			
Loan Receivable Payments Received			
Interest on Investments	29,815	1,725	31,540
Net Cash Provided by Investing Activities	<u>29,815</u>	<u>1,725</u>	<u>31,540</u>
Net Decrease in Cash and Cash Equivalents	(881,393)	(81,946)	(963,339)
Cash and Cash Equivalents - Beginning	<u>2,753,683</u>	<u>306,502</u>	<u>3,060,185</u>
Cash and Cash Equivalents - Ending	<u>\$ 1,872,290</u>	<u>\$ 224,556</u>	<u>\$ 2,096,846</u>
Displayed As:			
Cash and Cash Equivalents	\$ 1,162,600	\$ 224,556	1,387,156
Restricted Cash	709,690	-	709,690
	<u>\$ 1,872,290</u>	<u>\$ 224,556</u>	<u>\$ 2,096,846</u>
Noncash Transaction			
Forgiveness of Debt	<u>\$ 450,441</u>	<u>\$ -</u>	<u>\$ 450,441</u>

Owyhee Irrigation District
Combining Statement of Cash Flows - Proprietary Funds (continued)
For the Year Ended December 31, 2022

	Operating & Maintenance Fund	Mitchell Butte Power Project	Total
Reconciliation of Net Loss From Operations to Net Cash Used in Operating Activities:			
Operating Income			
Net Loss From Operations	\$ (575,682)	\$ (142,563)	\$ (718,245)
 Adjustments to Reconcile Net Loss From Operations to Net Cash Used in Operating Activities:			
Depreciation	249,292	58,892	308,184
Changes in Assets and Liabilities:			
Increase in Payroll Liabilities	5,891	-	5,891
Decrease in Compensated Absences	(24,847)	-	(24,847)
Net Cash Used in Operating Activities	\$ (345,346)	\$ (83,671)	\$ (429,017)

Owyhee Irrigation District
Combining Statement of Net Positions - Component Units
December 31, 2022
(Modified Cash Basis)

	Owyhee Dam Power Project	Tunnel #1 Power Project	Total
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ -	\$ -	\$ -
Total Current Assets	<u>-</u>	<u>-</u>	<u>-</u>
Capital Assets:			
Owyhee Dam Power Project	7,006,734	-	7,006,734
Tunnel #1 Power Project	-	24,260,035	24,260,035
Accumulated Depreciation	(4,857,940)	(14,359,011)	(19,216,951)
Total Capital Assets	<u>2,148,794</u>	<u>9,901,024</u>	<u>12,049,818</u>
Other Assets:			
Restricted cash	-	827,272	827,272
Due from Other Funds	15,076,273	-	15,076,273
Total Other Assets	<u>15,076,273</u>	<u>827,272</u>	<u>15,903,545</u>
Total Assets	<u>\$ 17,225,067</u>	<u>\$ 10,728,296</u>	<u>\$ 27,953,363</u>
Liabilities			
Current Liabilities:			
Total Current Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Long-Term Debt:			
Due to Other Funds	-	15,076,273	15,076,273
Revenue Bonds Payable	-	945,833	945,833
Total Noncurrent Liabilities	<u>-</u>	<u>16,022,106</u>	<u>16,022,106</u>
Total Liabilities	<u>-</u>	<u>16,022,106</u>	<u>16,022,106</u>
Net Position			
Net Investment in Capital Assets	2,148,794	(6,121,082)	(3,972,288)
Restricted	-	827,272	827,272
Unrestricted	15,076,273	-	15,076,273
Total Net Position	<u>\$ 17,225,067</u>	<u>\$ (5,293,810)</u>	<u>\$ 11,931,258</u>

Owyhee Irrigation District
Combining Statement of Revenues, Expenses, And Changes in Net Positions - Component Units
For the Year Ended December 31, 2022
(Modified Cash Basis)

	Owyhee Dam Power Project	Tunnel #1 Power Project	Total
Operating Revenues			
Reimbursements and Miscellaneous	\$ 2,660	\$ 5,401	\$ 8,061
Power Sales	271,794	129,861	401,655
Total Operating Revenues	<u>274,454</u>	<u>135,262</u>	<u>409,716</u>
Operating Expenses			
Operations and Administration Charges	70,944	68,407	139,351
Utilities	1,717	4,179	5,896
Fees	19,194	-	19,194
Professional and Consulting Fees	7,650	31,717	39,367
Office Supplies and Expenses	2,818	3,302	6,120
Insurance	35,587	72,510	108,097
Dues and Licenses	-	22,709	22,709
Depreciation	142,582	482,478	625,060
Miscellaneous	5,763	12	5,775
Total Operating Expenses	<u>286,255</u>	<u>685,314</u>	<u>971,569</u>
Operating Income	<u>(11,801)</u>	<u>(550,052)</u>	<u>(561,853)</u>
Non-Operating Revenues			
Interest on Investments	8,017	605	8,622
Interest Expense	-	(45,833)	(45,833)
Total Non-Operating Revenues	<u>8,017</u>	<u>(45,228)</u>	<u>(37,211)</u>
Income (Loss) Before Other Capital Items	<u>(3,784)</u>	<u>(595,280)</u>	<u>(599,064)</u>
Change in Net Position	<u>(3,784)</u>	<u>(595,280)</u>	<u>(599,064)</u>
Net Position - Beginning of Year	<u>17,228,851</u>	<u>(4,698,530)</u>	<u>12,530,321</u>
Net Position - End of Year	<u>17,225,067</u>	<u>(5,293,810)</u>	<u>11,931,257</u>

Owyhee Irrigation District
Combining Statement of Cash Flows - Component Units
For the Year Ended December 31, 2022

	Owyhee Dam Power Project	Tunnel #1 Power Project	Total
Cash Flow From Operating Activities			
Receipts from Users	\$ 274,454	\$ 135,262	\$ 409,716
Payments for Goods and Services	(143,673)	(202,836)	(346,509)
Net Cash Provided by Operating Activities	<u>130,781</u>	<u>(67,574)</u>	<u>63,207</u>
Cash Flows From Noncapital Financing Activities			
Transfers from (to) other funds	(138,797)	138,797	-
Net Cash Used in Noncapital Financing Activities	<u>(138,797)</u>	<u>138,797</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities			
Interest paid on bonds and notes	-	(45,833)	(45,833)
Principal paid on bonds and notes	-	(54,167)	(54,167)
Net Cash Provided by Capital and Related Financing Activities	<u>-</u>	<u>(100,000)</u>	<u>(100,000)</u>
Cash Flows From Investing Activities			
Loan Receivable Payments Received	8,016	605	8,621
Interest on Investments	-	-	-
Net Cash Provided by Investing Activities	<u>8,016</u>	<u>605</u>	<u>8,621</u>
Net Increase in Cash and Cash Equivalents	-	(28,172)	(28,172)
Cash and Cash Equivalents - Beginning	-	855,444	855,444
Cash and Cash Equivalents - Ending	<u>\$ -</u>	<u>\$ 827,272</u>	<u>\$ 827,272</u>
Displayed As:			
Cash and Cash Equivalents	\$ -	\$ -	\$ -
Restricted Cash	-	827,272	827,272
	<u>\$ -</u>	<u>\$ 827,272</u>	<u>\$ 827,272</u>

Owyhee Irrigation District
 Combining Statement of Cash Flows - Component Units (continued)
 For the Year Ended December 31, 2022

	Owyhee Dam Power Project	Tunnel #1 Power Project	Total
Reconciliation of Net Loss From Operations to Net Cash Provided by Operating Activities:			
Operating Income			
Net Loss From Operations	\$ (11,801)	\$ (550,052)	\$ (561,853)
Adjustments to Reconcile Net Loss From Operations to Net Cash Provided by Operating Activities:			
Depreciation	142,582	482,478	625,060
Net Cash Provided by Operating Activities	\$ 130,781	\$ (67,574)	\$ 63,207

Owyhee Irrigation District
 Schedule for Acreage Assessments Receivable
 For the Year Ended December 31, 2022
 (Modified Cash Basis)

	Balance January 1, 2021	Current Assessment	Adjustments and Collections	Balance December 31, 2022
Assessments	\$ 63,883	\$ 4,731,810	\$ (4,737,715)	\$ 57,978
Interest / Service Charge	34,350	16,504	\$ (24,427)	26,427
Total	<u>98,233</u>	<u>4,748,314</u>	<u>(4,762,142)</u>	<u>84,405</u>

Owyhee Irrigation District
Schedule of Revenues and Expenses - Budget and Actual
Budgetary Basis
For the Year Ended December 31, 2022

OPERATION AND MAINTENANCE FUND

	Budget On Budgetary Basis	Actual On Budgetary Basis	Variance w/ Final Budget
Revenues			
Total Operating Revenues	\$ 5,206,182	\$ 5,146,969	\$ 59,213
Expenses			
Payroll/Benefits Expense	2,605,657	2,579,457	26,200
Materials and Supplies	879,800	970,174	1,849,974
Dam O&M	256,557	147,475	404,032
Power for Pumping	588,000	572,013	1,160,013
Utilities	65,100	63,546	128,646
Audit and Legal Fees	74,000	68,387	142,387
Office Supplies	82,700	58,818	141,518
Insurance	132,500	157,592	290,092
Dues and Licenses	48,000	72,897	120,897
Interest	-	12,759	12,759
Equipment Purchase	676,626	21,310	697,936
Weed Control	686,900	628,265	1,315,165
Debt Service / Lease Payments	64,238	-	64,238
Miscellaneous	272,398	343,105	615,503
Repairs and Maintenance	-	30,063	30,063
Total Operating Expenses	<u>6,432,476</u>	<u>5,725,861</u>	<u>6,999,423</u>
Operating Income	<u>(1,226,294)</u>	<u>(578,892)</u>	<u>(6,940,210)</u>
Non-Operating Revenues			
Interest	30,000	29,815	59,815
Payroll Protection Program Loan Forgiveness	-	450,441	450,441
Grant Reimbursement	174,000	227,560	
Gain (Loss) on Sale of Fixed Assets	-	13,545	13,545
Total Non-Operating Revenues	<u>204,000</u>	<u>721,361</u>	<u>523,801</u>
Excess Income (Expense)	<u>\$ (1,022,294)</u>	<u>\$ 142,469</u>	<u>\$ (6,416,409)</u>

Owyhee Irrigation District
Schedule of Revenues and Expenses and Changes in Fund Balance - Budget and Actual
Budgetary Basis
For the Year Ended December 31, 2022

OPERATION AND MAINTENANCE FUND

	Original Budget	Final Budget	Actual	Variance w/ Final Budget
Revenues				
Operations & Maintenance Assessments	\$ 4,600,528	\$ 4,600,528	\$ 4,605,638	\$ (5,110)
Special Assessment	100,899	100,899	100,872	27
Interest (Late Charge)	22,000	22,000	16,504	5,496
Excess Water	-	-	7,746	(7,746)
Reimbursements	251,980	251,980	248,548	3,432
Work for Others	3,000	3,000	-	3,000
Service Charges	23,025	23,025	24,450	(1,425)
Rent	33,000	33,000	39,096	(6,096)
Owyhee Ditch Co. - Pump Reimbursements	5,000	5,000	16,488	(11,488)
Miscellaneous	166,750	166,750	87,627	79,123
Total Operating Revenues	<u>5,206,182</u>	<u>5,206,182</u>	<u>5,146,969</u>	<u>59,213</u>
Non-Operating Revenues				
Interest	30,000	30,000	29,815	185
Payroll Protection Program Loan Forgiveness	-	-	450,441	(450,441)
Grant Reimbursement	174,000	174,000	227,560	(53,560)
Gain (Loss) on Sale of Fixed Assets	-	-	13,545	(13,545)
Total Non-Operating Revenues	<u>204,000</u>	<u>204,000</u>	<u>721,361</u>	<u>(517,361)</u>
Expenses				
Payroll/Benefits Expense				
Payroll	1,575,000	1,575,000	1,423,558	151,442
Payroll - Overtime	40,000	40,000	37,734	2,266
Payroll - Comp	-	-	63,215	(63,215)
Accrued Vacation Change	-	-	110,746	(110,746)
Accrued Sick Leave Change	-	-	60,638	(60,638)
Payroll - Health Insurance	345,000	345,000	298,369	46,631
Insurance - AFLAC	2,244	2,244	91	2,153
HRA & Flex Plan	80,000	80,000	42,573	37,427
Workers Comp Insurance	50,000	50,000	40,018	9,982
Payroll Tax	134,663	134,663	133,285	1,378
Employee Travel	5,000	5,000	2,911	2,089
Manager Travel	9,000	9,000	4,612	4,388
Miscellaneous Travel	2,500	2,500	698	1,802
Retirement Expense	362,250	362,250	358,667	3,583
Training and Education	-	-	2,342	(2,342)
Total Payroll/Benefits Expense	<u>2,605,657</u>	<u>2,605,657</u>	<u>2,579,457</u>	<u>26,200</u>

Owyhee Irrigation District
Schedule of Revenues and Expenses and Changes in Fund Balance - Budget and Actual (continued)
Budgetary Basis
For the Year Ended December 31, 2022

OPERATION AND MAINTENANCE FUND

	Original Budget	Final Budget	Actual	Variance w/ Final Budget
Materials & Supplies				
Materials - Supplies	200,000	200,000	325,277	(125,277)
Gasoline	115,000	115,000	177,949	(62,949)
Diesel	85,000	85,000	79,275	5,725
Oil	7,000	7,000	12,406	(5,406)
Tires	27,000	27,000	0	27,000
Concrete	17,000	17,000	6,321	10,679
Wood	4,000	4,000	1,716	2,284
Steel	11,000	11,000	237	10,763
Shop Expenses	14,000	14,000	0	14,000
Kingman Pump	4,000	4,000	2,950	1,050
Ontario - Nyssa Pump	23,000	23,000	2,908	20,092
Owyhee Ditch Pump	27,000	27,000	1,450	25,550
South Advancement	5,000	5,000	51	4,949
North Advancement	2,500	2,500	433	2,067
Dead Ox Pumping	37,400	37,400	51,265	(13,865)
Employee Meetings	2,500	2,500	-	2,500
Company Houses	5,000	5,000	25,066	(20,066)
Owyhee Dam - Hydro	-	-	(24,618)	24,618
Mitchell Butte - Hydro	-	-	(14,712)	14,712
Tunnel	-	-	(15,895)	15,895
Pipeline Project	40,000	40,000	9,317	30,683
Kingman Lateral - Liner	20,000	20,000	-	20,000
Malheur Siphon Project	165,000	165,000	-	165,000
Last Chance Pond	18,400	18,400	9,173	9,227
Gopher Reimbursement	-	-	15,052	(15,052)
Automation - General	50,000	50,000	9,025	40,975
Arabian Pipeline	-	-	291,796	(291,796)
General Pumping Plants	-	-	3,732	(3,732)
Total Payroll/Benefits Expense	879,800	879,800	970,174	(90,374)

Owyhee Irrigation District
 Schedule of Revenues and Expenses and Changes in Fund Balance - Budget and Actual (continued)
 Budgetary Basis
 For the Year Ended December 31, 2022

OPERATION AND MAINTENANCE FUND

	Original Budget	Final Budget	Actual	Variance w/ Final Budget
Dam O&M				
Dam O&M - Payroll	74,128	74,128	92,983	(18,855)
Dam O&M - Payroll Taxes	5,671	5,671	7,107	(1,436)
Dam O&M - Retirement	19,000	19,000	22,260	(3,260)
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	100	9,900
Dam O&M - Materials & Supplies	25,000	25,000	21,289	3,711
Dam O&M - Other Purchases	-	-	1,709	(1,709)
Dam O&M - Vehicle Operations	3,500	3,500	2,773	727
Dam O&M - Equipment Operations	3,500	3,500	3,160	340
Dam O&M - Insurance	15,000	15,000	8,147	6,853
Dam O&M - Equipment Purchases	25,000	25,000	197	24,803
Dam O&M - Telephone	13,000	13,000	1,414	11,586
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	461	39,539
Dam O&M - Elevator Project	5,000	5,000	99	4,901
Dam O&M - Jet Flow Valves	2,000	2,000	-	2,000
Dam O&M - Snow Surveys	3,000	3,000	2,006	994
Dam O&M - Rental Income	(21,000)	(21,000)	(16,230)	(4,770)
Total Dam O&M	<u>256,557</u>	<u>256,557</u>	<u>147,475</u>	<u>109,082</u>
Power for Pumping				
Bureau Power	588,000	588,000	572,013	15,987
Total Power for Pumping	<u>588,000</u>	<u>588,000</u>	<u>572,013</u>	<u>15,987</u>
Utilities				
Utilities	30,000	30,000	25,937	4,063
Telephone	13,100	13,100	13,771	(671)
Cellular Phones	15,000	15,000	14,060	940
Internet Services	7,000	7,000	9,778	(2,778)
Total Utilities	<u>65,100</u>	<u>65,100</u>	<u>63,546</u>	<u>1,554</u>
Audit & Legal Fees				
Legal	17,000	17,000	7,213	9,787
Retainer	16,000	16,000	14,575	1,425
Legal Lien	-	-	9,144	(9,144)
Audit	11,000	11,000	10,050	950
Bookkeeping	30,000	30,000	27,405	2,595
Total Audit & Legal Fees	<u>74,000</u>	<u>74,000</u>	<u>68,387</u>	<u>5,613</u>

This is wrong. When is the material for ring gate

Owyhee Irrigation District
Schedule of Revenues and Expenses and Changes in Fund Balance - Budget and Actual (continued)
Budgetary Basis
For the Year Ended December 31, 2022

OPERATION AND MAINTENANCE FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance w/ Final Budget</u>
Office Supplies				
Office Supplies	15,000	15,000	20,080	(5,080)
Regular Office Repairs	7,500	7,500	971	6,529
Nyssa Office/Shop Supplies	1,000	1,000	0	1,000
Safety Comm Supplies	2,000	2,000	7,682	(5,682)
Janitorial	5,200	5,200	5,661	(461)
Real Estate Improvements	27,500	27,500	2,528	24,972
Computer Prog/Service	5,000	5,000	4,667	333
Computer Program Service Agreement	19,500	19,500	17,229	2,271
Total Dam O&M	<u>82,700</u>	<u>82,700</u>	<u>58,818</u>	<u>23,882</u>
Insurance				
Insurance	132,500	132,500	157,592	(25,092)
Total Insurance	<u>132,500</u>	<u>132,500</u>	<u>157,592</u>	<u>(25,092)</u>
Dues & Licenses				
Dues	48,000	48,000	72,897	(24,897)
Total Utilities	<u>48,000</u>	<u>48,000</u>	<u>72,897</u>	<u>(24,897)</u>
Weed Control				
Weed Control - Chemicals	17,900	17,900	65,174	(47,274)
Weed Control - Moss	627,000	627,000	560,263	66,737
Weeding - Equipment & Repair	40,000	40,000	2,828	37,172
Training and Education	2,000	2,000	-	2,000
Total Weed Control	<u>686,900</u>	<u>686,900</u>	<u>628,265</u>	<u>58,635</u>

Owyhee Irrigation District
Schedule of Revenues and Expenses and Changes in Fund Balance - Budget and Actual (continued)
Budgetary Basis
For the Year Ended December 31, 2022

OPERATION AND MAINTENANCE FUND

	Original Budget	Final Budget	Actual	Variance w/ Final Budget
Miscellaneous				
Depreciation	202,648	202,648	249,292	(46,644)
Owyhee Ditch Advance	22,000	22,000	25,907	(3,907)
Directors Fee - Mileage	5,000	5,000	4,859	141
Director Travel	1,500	1,500	621	879
Secretary Travel	1,500	1,500	-	1,500
Misc. Expense	31,000	31,000	12,221	18,779
GSI Maintenance	8,750	8,750	2,356	6,394
Bad Debt Expense	-	-	43,940	(43,940)
Environmental Concerns	-	-	3,600	(3,600)
Bank Charges & Fees	-	-	309	(309)
Total Miscellaneous	<u>272,398</u>	<u>272,398</u>	<u>343,105</u>	<u>(70,707)</u>
Equipment Purchases				
Computer Hardware	41,000	41,000	14,545	26,455
Vehicle	60,000	60,000	-	60,000
Heavy Equipment	30,000	30,000	5,240	24,760
Equipment - Radio	3,000	3,000	1,510	1,490
Backhoe - Lease Payment	17,084	17,084	-	17,084
Cat Excavator - Lease Payment	24,797	24,797	-	24,797
Capital Improvements	22,357	22,357	-	22,357
Backhoe Acquisition	27,626	27,626	-	27,626
Equipment - Phone System	2,000	2,000	-	2,000
Trash Screens	430,000	430,000	-	430,000
Concrete Pump	83,000	83,000	15	82,985
Total Equipment Purchases	<u>740,864</u>	<u>740,864</u>	<u>21,310</u>	<u>719,554</u>
Repairs & Maintenance				
Repairs & Maintenance	-	-	30,063	(30,063)
Total Repairs & Maintenance	<u>-</u>	<u>-</u>	<u>30,063</u>	<u>(30,063)</u>
Interest	-	-	12,759	(12,759)
Total Interest	<u>-</u>	<u>-</u>	<u>12,759</u>	<u>(12,759)</u>
Total Expenses	<u>6,432,476</u>	<u>6,432,476</u>	<u>5,725,861</u>	<u>706,615</u>
Excess Income (Expense)	<u>\$ (1,022,294)</u>	<u>\$ (1,022,294)</u>	<u>\$ 142,469</u>	<u>\$ (1,164,763)</u>

STATE REPORTS



ZWYGART JOHN
CERTIFIED PUBLIC ACCOUNTANTS

16130 North Merchant Way, Suite 120 ♦ Nampa, Idaho 83687

Phone: 208-459-4649 ♦ FAX: 208-229-0404

Zwygart John & Associates CPAs, PLLC

Independent Auditor's Report Required by Oregon State Regulations

Board of Directors
Owyhee Irrigation District
Vale, Oregon

We have audited the basic financial statements of the Owyhee Irrigation District (the District) as of and for the year ended December 31, 2022 and have issued our report thereon dated June 20, 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 the District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grants, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-000 to 162-10-330 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 include, but were not limited to the following:

- Deposit of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions, and repayment.
- Budgets legally required (ORS Chapter 294) (However, no budgets are required).
- 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 Chapter 279A, 279B, and 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.

Internal Control Over Financial Reporting

In planning and performing our audit of the basic financial statements, we considered the Owyhee Irrigation 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 Owyhee Irrigation District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Owyhee Irrigation District's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal controls that might be significant deficiencies or material weakness. We did not identify any deficiencies in internal controls over financial reporting that we consider to be material weakness as defined above.

Purpose of this Report

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.

Zwyzart John & Associates, CPAs, PLLC

By: John Russell

Nampa, Idaho

June 20, 2023