



FORT COLLINS
CONSERVATION DISTRICT

FINANCIAL STATEMENTS

Year Ended December 31, 2020





Independent Auditors' Report

Board of Supervisors
Fort Collins Conservation District
Fort Collins, Colorado

We have audited the accompanying balance sheet/statement of net position, and the statement of revenues, expenditures and changes in fund balance/statement of activities of the governmental activities and the major fund and the budgetary comparison statement of the Fort Collins Conservation District as of and for the year ended December 31, 2020, and the related notes to the financial statements which collectively comprise the District's financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the major fund of the Fort Collins Conservation District as of December 31, 2020, and the changes in its financial position and the budgetary comparison for the year then ended, in conformity with accounting principles generally accepted in the United States.

Other Matter

The District has not calculated or presented the management discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Anderson & Whitney, P.C.

September 27, 2021

FORT COLLINS CONSERVATION DISTRICT

GENERAL FUND BALANCE SHEET/STATEMENT OF NET POSITION

December 31, 2020	General Fund	Adjustments	Statement of Net Position
<u>ASSETS</u>			
Cash in Bank	\$ 622,481	\$ -	\$ 622,481
Accounts Receivable	37,889	-	37,889
TOTAL ASSETS	660,370	-	660,370
<u>LIABILITIES</u>			
Accounts Payable	43,868	-	43,868
Total Liabilities	43,868	-	43,868
<u>FUND BALANCE/NET POSITION</u>			
Fund Balance:			
Reserved for TABOR Emergencies	39,332	(39,332)	-
Unassigned	577,170	(577,170)	-
Total Fund Balance	616,502	(616,502)	-
TOTAL LIABILITIES AND FUND BALANCE	\$ 660,370		
Net Position:			
Restricted for emergencies		39,332	39,332
Unrestricted		577,170	577,170
TOTAL NET POSITION		\$ 616,502	\$ 616,502

See Accompanying Notes to Financial Statements.

FORT COLLINS CONSERVATION DISTRICT

STATEMENT OF GENERAL FUND REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE/STATEMENT OF ACTIVITIES

Year Ended December 31, 2020	General Fund	Adjustments	Statement of Activities
Revenue:			
Intergovernmental contracts	\$ 1,272,133	\$ -	\$ 1,272,133
Landowner contributions	38,086	-	38,086
Interest income	859	-	859
Total Revenue	1,311,078	-	1,311,078
Expenditures:			
Program services	790,466	-	790,466
General and administrative	194,799	-	194,799
Total Expenditures	985,265	-	985,265
Revenue Over Expenditures/Change in Net Position	325,813	-	325,813
Fund Balance/Net Position, Beginning of Year	290,689	-	290,689
FUND BALANCE/NET POSITION, End of Year	\$ 616,502	\$ -	\$ 616,502

See Accompanying Notes to Financial Statements.

FORT COLLINS CONSERVATION DISTRICT

BUDGETARY COMPARISON STATEMENT

Year Ended December 31, 2020	Actual	Original and Final Budget	Variance
Revenue:			
Intergovernmental:			
Intergovernmental contracts	\$ 1,272,133	\$ 1,758,300	\$ (486,167)
Landowner contributions	38,086	-	38,086
Total Intergovernmental	1,310,219	1,758,300	(448,081)
Miscellaneous:			
Donations	-	1,000	(1,000)
Interest income	859	1,500	(641)
Total Miscellaneous	859	2,500	(1,641)
Total Revenue	1,311,078	1,760,800	(449,722)
Expenditures:			
Program services:			
Contractor payments - logging	768,478	120,000	(648,478)
Other program expenses	21,988	-	(21,988)
Total Program Services	790,466	120,000	(670,466)
General and Administrative:			
Salaries	171,214	219,000	47,786
Retirement, insurance, payroll taxes	11,746	15,000	3,254
Insurance and bonds	1,242	1,600	358
Consulting and accounting	2,015	1,700	(315)
Office supplies, postage and printing	3,823	4,000	177
Computer expenses	528	1,000	472
Awards and scholarships	-	2,000	2,000
Advertising and promotion	69	1,500	1,431
Dues and subscriptions	308	400	92
Travel	1,708	2,700	992
Telephone	1,911	-	(1,911)
Miscellaneous expenses	235	600	365
Total General and Administrative	194,799	249,500	54,701
Total Expenditures	985,265	369,500	(615,765)
Revenue Over Expenditures	325,813	1,391,300	(1,065,487)
Fund Balance, Beginning of Year	290,689	290,689	-
FUND BALANCE, End of Year	\$ 616,502	\$ 1,681,989	\$ (1,065,487)

See Accompanying Notes to Financial Statements.

FORT COLLINS CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies:

The accounting and reporting policies of the Fort Collins Conservation District (the District) conform to accounting principles generally accepted in the United States. The following summary of significant accounting policies is presented to assist the reader in evaluating the District's financial statements.

Reporting Entity:

The financial report of the District includes all of the integral parts of the District's operations. The District has determined that it has no financial accountability for any other agency which would require it to be in the reporting entity.

The District was organized pursuant to the Soil Conservation District law of Colorado as a governmental subdivision of the State. The District exercises public powers in connection with soil conservation and erosion control within its boundaries for the purpose of bringing about the conservation, development, and wise use of land, water, and related resources.

Government-wide and Fund Financial Statements:

The District reports as a special purpose government engaged in a single governmental program. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by intergovernmental revenues.

Separate financial statements are provided for the government fund. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation:

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

FORT COLLINS CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies - Continued:

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued:

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within a current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Contract revenues and interest associated with the current year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental fund:

The *general fund* is the District's primary operating fund. It accounts for all financial resources of the District.

Fund Equity:

In the fund financial statements, governmental funds report restrictions of fund balance for amounts that are legally restricted by law or outside parties for use for specific purpose.

Restrictions for the District are recorded up to the maximum equity available in the fund balance and consist of:

Restricted for Emergencies:

These restrictions are established to comply with TABOR. Recorded TABOR emergency reserves at December 31, 2020 are \$39,332.

Assigned fund balances, if any, are amounts the District intends to use for specific purpose. Intent can be expressed by the Board of Supervisors or by an official to which the Board delegates authority. Restricted funds are considered to be spent first, followed by assigned and unassigned, for an expenditure for which any could be used.

FORT COLLINS CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies - Continued:

Net Position:

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Capital Assets:

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. It is the District's policy to capitalize all capital expenditures over \$1,000. The District does not currently have any capital assets.

Budget:

An annual budget and appropriation ordinance is adopted by the District's Board of Supervisors in accordance with the Local Government Budget Law. The Budget is prepared on a basis consistent with accounting principles generally accepted in the United States. The fund level of classification is the level at which expenditures may not legally exceed appropriations. All annual appropriations lapse at year end.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. On or about October 1st, the District staff submits to the District Board a proposed operating budget for the fiscal year commencing January 1. The budget includes proposed expenditures and the means of financing them.
2. Prior to December 31, the budget is legally adopted by the District. The District Manager is authorized to transfer amounts between line items. Revisions that alter total appropriations must be approved by the District Board through a supplemental appropriation. There were no supplemental appropriations in 2020.

The District over-expended budgetary appropriations for the general fund, which may be a violation of state law.

Employee Personnel Leave:

All full-time District employees accumulate personnel leave for subsequent use. No accrual of liability is made as vacation leave is generally taken and the amount outstanding at year end is immaterial.

FORT COLLINS CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – Cash in Banks:

The District's bank accounts are with commercial banks. At December 31, 2020, the District's carrying amount for deposits was \$622,481. FDIC insurance covers \$250,000 of the balance, with the remainder being collateralized through the Public Deposit Protection Act.

The Colorado Public Deposit Protection Act requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance. Eligible collateral includes municipal bonds, U.S. government securities, mortgages, and deeds of trust.

NOTE 3 – Contingencies:

In November 1992, the Colorado voters approved the Taxpayer's Bill of Rights (TABOR). TABOR requires voter approval for any new tax, tax rate increase, mill levy increase, or new debt. Voter approval is also required to increase annual property taxes, revenue, or spending by more than inflation plus a local growth factor. Spending not subject to TABOR includes that from enterprise activities, gifts, federal funds, reserve expenditures, damage awards, or property sales.

The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the applicable requirements of the Amendment.

Included in the accompanying financial statements is an emergency reserve required by TABOR of at least 3% of fiscal year spending.

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance for risks of loss in excess of deductible amounts. There have been no claims that exceeded this coverage in any of the past three fiscal years.

FORT COLLINS CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – Three-Way Agreement:

The District has a three-way agreement with the State Conservation Board and the federal Natural Resources Conservation Service.

The purpose of this agreement is to accelerate delivery of U.S. Farm Bill programs and enhance conservation delivery through a partnership with the District. The Natural Resources Conservation Service (NRCS) and Fort Collins Conservation District have a mutual interest in delivering timely and effective assistance to landowner customers participating in USDA programs and addressing natural resource concerns.

This agreement supplements the Memorandum of Agreement between the parties and documents areas of common interest and clarifies the roles of federal, state, and local partners in providing conservation leadership and technical and financial assistance to landowner customers in order to help them conserve and enhance natural resources through a voluntary cooperative approach. The agreement will specify the transfer of resources between NRCS and the District to accomplish delivery of NRCS programs and mutual conservation priorities.

In accordance with this agreement, NRCS provides office space, vehicles, equipment, technology, and technical tools to the District without charge to enable mutually beneficial program outcomes.

Substantially all of the intergovernmental revenue and landowner contracts are through these programs.
