

***COLUMBIA PACIFIC ECONOMIC  
DEVELOPMENT DISTRICT  
(A Nonprofit Corporation)  
FINANCIAL STATEMENTS  
AND ADDITIONAL INFORMATION  
Years Ended September 30, 2021 and 2020***

**COLUMBIA PACIFIC ECONOMIC DEVELOPMENT DISTRICT**  
*(A Nonprofit Corporation)*  
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# GROVE, MUELLER & SWANK, P.C.

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## ***INDEPENDENT AUDITOR'S REPORT***

Board of Directors  
Columbia Pacific Economic Development District  
P.O. Box 534  
Columbia City, Oregon 97018

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of Columbia Pacific Economic Development District (a nonprofit corporation), which comprise the statement of financial position as of September 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the 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 of America; 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from 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 District'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 District'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 Columbia Pacific Economic Development District as of September 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters – Supplementary and Other Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the combining statements are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The other information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 19, 2022, on our consideration of Columbia Pacific Economic Development District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Columbia Pacific Economic Development District's internal control over financial reporting and compliance.

*Grove, Mueller & Swank, P.C.*

CERTIFIED PUBLIC ACCOUNTANTS

May 19, 2022

**COLUMBIA PACIFIC ECONOMIC DEVELOPMENT DISTRICT**  
(A Nonprofit Corporation)  
STATEMENTS OF FINANCIAL POSITION  
SEPTEMBER 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash - unrestricted	\$ 88,152	\$ 126,143
Restricted cash	534,858	476,602
Accounts receivable	-	7,188
Loans receivable (less allowance for bad debts of \$18,883 and \$23,360, respectively)	567,105	629,632
Interest receivable	2,487	2,487
Prepaid expenses	2,180	2,785
	<hr/>	<hr/>
<i>Total Assets</i>	<u>\$ 1,194,782</u>	<u>\$ 1,244,837</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable	\$ 15,261	\$ -
Accrued interest	73	78
Accrued payroll and payroll taxes	18,961	5,529
Notes payable	331,068	355,634
	<hr/>	<hr/>
<i>Total Liabilities</i>	365,363	361,241
<b>Net Assets</b>		
Without donor restrictions		
Undesignated	57,571	128,274
With donor restrictions - purpose restrictions		
Intermediary Relending Fund	101,278	86,088
Rural Business Enterprise Grant Loan Fund	670,570	669,234
	<hr/>	<hr/>
<i>Total Net Assets</i>	829,419	883,596
	<hr/>	<hr/>
<i>Total Liabilities and Net Assets</i>	<u>\$ 1,194,782</u>	<u>\$ 1,244,837</u>

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

**COLUMBIA PACIFIC ECONOMIC DEVELOPMENT DISTRICT**  
(A Nonprofit Corporation)  
STATEMENTS OF ACTIVITIES  
YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	<b>2021</b>		
	<b><i>Without Donor Restrictions</i></b>	<b><i>With Donor Restrictions</i></b>	<b><i>Total</i></b>
<b>REVENUES</b>			
Grants and contracts	\$ 3,199,734	\$ -	\$ 3,199,734
Interest income	34,593	-	34,593
Membership dues	18,750	-	18,750
Loan fees	-	-	-
<i>Total Revenues</i>	3,253,077	-	3,253,077
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>			
	(16,526)	16,526	-
<b>EXPENSES</b>			
Program services	2,770,620	-	2,770,620
Supporting services	536,634	-	536,634
<i>Total Expenses</i>	3,307,254	-	3,307,254
<b>CHANGE IN NET ASSETS</b>	(70,703)	16,526	(54,177)
<b>NET ASSETS, Beginning of year</b>	128,274	755,322	883,596
<b>NET ASSETS, End of year</b>	\$ 57,571	\$ 771,848	\$ 829,419

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<i>2020</i>		
<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
\$ 1,020,295	\$ 125,000	\$ 1,145,295
27,317	-	27,317
18,750	-	18,750
2,168	-	2,168
1,068,530	125,000	1,193,530
75,866	(75,866)	-
818,881	-	818,881
248,681	-	248,681
1,067,562	-	1,067,562
76,834	49,134	125,968
51,440	706,188	757,628
\$ 128,274	\$ 755,322	\$ 883,596

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

**COLUMBIA PACIFIC ECONOMIC DEVELOPMENT DISTRICT**

(A Nonprofit Corporation)

**STATEMENTS OF FUNCTIONAL EXPENSES**

**YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

	2021										
	<i>Program Services</i>					<i>Supporting Services</i>					
	<i>Rural Business</i>								<i>Supporting</i>	<i>Total</i>	
	<i>Intermediary</i>	<i>Enterprise</i>		<i>Contracted</i>	<i>Grant</i>	<i>Program</i>	<i>Grant</i>	<i>Management</i>	<i>Services</i>	<i>Functional</i>	
	<i>Relending</i>	<i>Grant</i>	<i>Coronavirus</i>	<i>Services</i>	<i>Management</i>	<i>Total</i>	<i>Management</i>	<i>&amp; General</i>	<i>Total</i>	<i>Expenses</i>	
	<i>Fund</i>	<i>Loan Fund</i>	<i>Relief Fund</i>								
Personnel costs	\$ 3,090	\$ 5,873	\$ 13,283	\$ 19,529	\$ 26,258	\$ 68,033	\$ 128,592	\$ 170,960	\$ 299,552	\$ 367,585	
Advertising	-	-	9,449	-	-	9,449	-	1,848	1,848	11,297	
Bad debt expense (recovery)	(4,477)	-	-	-	-	(4,477)	-	-	-	(4,477)	
Bank fees	-	-	-	-	-	-	-	8	8	8	
Broadband subsidy	-	-	-	-	100,000	100,000	-	-	-	100,000	
Computer and internet	-	732	-	43	-	775	1,079	1,095	2,174	2,949	
Continuing education	-	-	-	-	-	-	-	305	305	305	
Contract services	-	1,233	29,888	55,051	133,660	219,832	194,693	-	194,693	414,525	
Deposit reimbursement	-	-	-	-	-	-	-	5,000	5,000	5,000	
Disaster recovery	-	-	2,364,140	-	-	2,364,140	-	-	-	2,364,140	
Dues and subscriptions	-	-	-	-	-	-	-	3,219	3,219	3,219	
Insurance	-	-	-	-	-	-	-	4,575	4,575	4,575	
Interest	-	-	-	-	-	-	-	3,550	3,550	3,550	
Loan fees	-	-	-	-	-	-	-	-	-	-	
Miscellaneous expense	-	-	-	-	1,163	1,163	-	511	511	1,674	
Office costs	-	-	-	-	-	-	-	2,735	2,735	2,735	
Phone and internet	-	-	-	-	-	-	-	2,648	2,648	2,648	
Postage and delivery	1	2	-	-	-	3	-	-	-	3	
Professional fees	5,500	5,500	-	-	-	11,000	-	7,855	7,855	18,855	
Rent	-	-	-	-	-	-	-	4,800	4,800	4,800	
Travel	12	17	-	596	77	702	2,576	585	3,161	3,863	
	<u>\$ 4,126</u>	<u>\$ 13,357</u>	<u>\$ 2,416,760</u>	<u>\$ 75,219</u>	<u>\$ 261,158</u>	<u>\$ 2,770,620</u>	<u>\$ 326,940</u>	<u>\$ 209,694</u>	<u>\$ 536,634</u>	<u>\$ 3,307,254</u>	



2020

<i>Program Services</i>					<i>Supporting Services</i>				
<i>Rural Business</i>									
<i>Intermediary Relending Fund</i>	<i>Enterprise Grant Loan Fund</i>	<i>Coronavirus Relief Fund</i>	<i>Contracted Services</i>	<i>Program Total</i>	<i>Grant Management</i>	<i>Management &amp; General</i>	<i>Supporting Services Total</i>	<i>Total Functional Expenses</i>	
\$ 4,257	\$ 7,483	\$ 4,720	\$ 35,207	\$ 51,667	\$ 4,838	\$ 214,817	\$ 219,655	\$ 271,322	
-	-	4,253	-	4,253	-	-	-	4,253	
(3,744)	-	-	-	(3,744)	-	-	-	(3,744)	
20	-	-	-	20	-	-	-	20	
-	-	-	-	-	-	-	-	-	
183	834	-	94	1,111	-	3,231	3,231	4,342	
-	-	-	-	-	-	20	20	20	
-	-	-	-	-	-	-	-	-	
-	-	742,952	-	742,952	-	-	-	742,952	
-	120	-	-	120	-	2,999	2,999	3,119	
884	884	-	-	1,768	-	1,156	1,156	2,924	
5,726	-	-	-	5,726	-	-	-	5,726	
30	773	-	-	803	-	-	-	803	
-	-	-	-	-	-	127	127	127	
3	84	-	510	597	-	4,393	4,393	4,990	
-	12	48	-	60	-	2,485	2,485	2,545	
-	-	-	-	-	-	-	-	-	
6,290	5,983	-	-	12,273	-	6,309	6,309	18,582	
-	-	-	-	-	-	4,800	4,800	4,800	
90	233	-	952	1,275	83	3,423	3,506	4,781	
<u>\$ 13,739</u>	<u>\$ 16,406</u>	<u>\$ 751,973</u>	<u>\$ 36,763</u>	<u>\$ 818,881</u>	<u>\$ 4,921</u>	<u>\$ 243,760</u>	<u>\$ 248,681</u>	<u>\$ 1,067,562</u>	

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

**COLUMBIA PACIFIC ECONOMIC DEVELOPMENT DISTRICT**  
(A Nonprofit Corporation)  
**STATEMENTS OF CASH FLOWS**  
YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (54,177)	\$ 125,968
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Change in cash due to operating assets and liabilities:		
Accounts receivable	7,188	8,568
Prepaid expenses	605	(76)
Interest receivable	-	70
Accounts payable	15,261	-
Accrued interest	(5)	(1,237)
Accrued payroll and payroll taxes	13,432	(7,740)
	<hr/>	<hr/>
<i>Net Cash Provided by (Used in) Operating Activities</i>	(17,696)	125,553
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Principal collected on loans receivable	137,004	88,818
Adjustment of loan reserves	(4,477)	(3,744)
New loans made	(70,000)	(152,250)
	<hr/>	<hr/>
<i>Net Cash Provided by (Used in) Investing Activities</i>	62,527	(67,176)
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on notes payable	(24,566)	(372,577)
	<hr/>	<hr/>
<b>NET CHANGE IN CASH</b>	20,265	(314,200)
<b>CASH, Beginning of year</b>	602,745	916,945
	<hr/>	<hr/>
<b>CASH, End of year</b>	\$ 623,010	\$ 602,745
	<hr/> <hr/>	<hr/> <hr/>
 <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid during the year for interest	\$ 3,555	\$ 6,963
	<hr/> <hr/>	<hr/> <hr/>

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

**COLUMBIA PACIFIC ECONOMIC DEVELOPMENT DISTRICT**

*(A Nonprofit Corporation)*

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2021 AND 2020

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**NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Nature of the Organization*

Columbia Pacific Economic Development District is a non-profit located in Northwest Oregon and comprises Columbia, Tillamook, Clatsop, and Western Washington counties. The District was created to establish economic development opportunities in small rural communities.

Columbia Pacific Economic Development District (CPEDD) is organized for the following objectives:

- 1) Advocate the economic development interests of the region; 2) Promote coordination, cooperation, and communication among economic development groups and organizations; 3) Provide access to a range of resources including financial incentives for business and industry in the region; 4) Import outside capital into the region for economic development and public works projects; 5) Conduct research and business development activities in order to identify new economic development opportunities for the region; 6) Provide supporting services for marketing the region for business and industrial expansion; 7) Support and promote capacity building and leadership development for our partners in the District.

*Basis of Accounting*

The financial statements of the District have been prepared on the accrual basis of accounting.

*Net Assets*

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor-imposed restricted. Accordingly, the District's net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor restrictions. The governing board has no designated reserves from net assets without donor restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor imposed restrictions. These assets relate to the relending program loans and are restricted for purpose.

*Cash and Cash Equivalents*

The District considers all highly liquid debt instruments purchased with an original maturity of twelve months or less to be cash equivalents. The District maintains bank accounts at several institutions. Accounts at an institution are insured by the Federal Deposit Insurance Corporation (FDIC) and the National Credit Union Association (NCUA) up to legal limits.

*Unrestricted Cash* – The District considers unrestricted cash to be cash available for use without any restrictions on use or purpose. Cash and cash equivalents consist of deposits in checking and savings accounts.

**COLUMBIA PACIFIC ECONOMIC DEVELOPMENT DISTRICT**

*(A Nonprofit Corporation)*

NOTES TO FINANCIAL STATEMENTS *(Continued)*

YEARS ENDED SEPTEMBER 30, 2021 AND 2020

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

*Cash and Cash Equivalents (Continued)*

*Restricted Cash* – Cash held in the Intermediate Relending Program and loan loss reserve accounts is restricted for use in the Columbia Pacific Economic Development District Intermediary Relending Program and is required to be accounted for separately. Cash held in this program totaled \$133,181 as of September 30, 2021. In addition cash was held in the Rural Business Enterprise Grant Loan Fund and is restricted for loan purposes.

*Loans Receivable*

The collectability of notes is reviewed periodically by management and allowances for amounts not considered collectable are set.

*Furniture and Equipment*

Furniture and equipment is stated at cost, if purchased, or, if donated, at fair market value as of the date of gift. It is the District's policy to capitalize expenses for such items that have a value greater than \$2,500. Depreciation is computed on the straight-line method over the estimated useful lives of the assets.

*Revenue Recognition*

Grant and contract awards received in advance of the period in which they will be utilized are reflected as unearned if a right of return exists. Interest income from notes receivable is recognized when earned, which is over the term of the loan as payments are made.

*Functional Allocation of Expenses*

The financial statements report certain categories of expenses that are attributable to more than one program or supporting service of the District. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits which are allocated based on estimates of the benefit received by the program or supporting service. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated to the program and supporting services benefited.

*Estimates*

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities; disclosure of contingent assets and liabilities as of the financial statement date; and the amounts of revenue and expenses during the reporting period. Specific estimates required are loan loss reserves. Actual results may differ from those estimates.

**COLUMBIA PACIFIC ECONOMIC DEVELOPMENT DISTRICT**

*(A Nonprofit Corporation)*

*NOTES TO FINANCIAL STATEMENTS (Continued)*

*YEARS ENDED SEPTEMBER 30, 2021 AND 2020*

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Income Taxes*

The District has qualified as an organization whose activities, related to its nonprofit status, are exempt from income tax under Section 501(c)(3) of the Internal Revenue Code; therefore, no provision has been made for income taxes in these financial statements.

The District follows Accounting Standards Codification (ASC) 740, Accounting for Uncertainty in Income Taxes. Disclosure is not required of a loss contingency involving an unasserted claim or assessment when there has been no manifestation by a potential claimant of an awareness of a possible claim or assessment unless it is considered probable that a claim will be asserted and there is a reasonable possibility that the outcome will be unfavorable. As of September 30, 2021, the District has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements based on this guidance.

The District's federal and state income tax returns are subject to possible examination by the taxing authorities until the expiration of the related statutes of limitations on their tax returns. In general, the federal and state income tax returns have a three-year statute of limitations.

**CASH AND CASH EQUIVALENTS**

The District has the following cash and cash equivalents as of September 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Cash - unrestricted	\$ 88,152	\$ 126,143
Restricted cash - IRF	133,181	73,498
Restricted cash - RBEG	401,677	403,104
	<u>\$ 623,010</u>	<u>\$ 602,745</u>

At September 30, 2021 and 2020, the book balances of the District's deposits were \$623,010 and \$602,745, respectively, and the bank balances of the District's deposits were \$623,068 and \$911,745. The difference is due to transactions in process. Bank deposits are secured to legal limits by federal deposit insurance. All deposits not covered by FDIC insurance are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon.

***Custodial Credit Risk – Deposits***

This is the risk that in the event of a bank failure, The District's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for The District's deposits with financial institutions up to \$250,000 each for the aggregate of all demand accounts and the aggregate of all savings and time deposits accounts at each institution.

**COLUMBIA PACIFIC ECONOMIC DEVELOPMENT DISTRICT**

*(A Nonprofit Corporation)*

NOTES TO FINANCIAL STATEMENTS (Continued)

YEARS ENDED SEPTEMBER 30, 2021 AND 2020

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**LIQUIDITY AND AVAILABILITY**

Financial assets are available for general expenses, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position are comprised of the following:

	<u>2021</u>	<u>2020</u>
<b><i>Financial assets at year-end</i></b>		
Cash - unrestricted	\$ 88,152	\$ 126,143
Accounts receivable	-	7,188
Interest receivable	2,487	2,487
<b><i>Total financial assets</i></b>	<u>\$ 90,639</u>	<u>\$ 135,818</u>

As part of the District's liquidity management plan, the District has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**LOANS RECEIVABLE**

The District makes loans to eligible small businesses from funds received from the U.S.D.A. Rural Business Cooperative Services (USDA) and funds received from Rural Business Enterprise grant (RBEG). The balance on September 30, 2021 consisted of five loans net of bad debts totaling \$295,828 from USDA funds and seven loans totaling \$271,277 from (RBEG) funds.

Loans receivable consist of loans made in the amounts of \$24,000 to \$250,000. Interest rates vary from 4.25% to 7.50%. The allowance for doubtful accounts consists of 6.00% of loan balances, as required by USDA, plus any loans specifically identified as uncollectible.

Future amounts are due as follows:

<b><i>For the Year</i></b>	
<b><u>Ending September 30,</u></b>	
2022	\$ 289,946
2023	118,059
2024	40,437
2025	28,939
2026	28,406
Thereafter	<u>80,201</u>
	585,988
Less allowance for doubtful accounts	<u>(18,883)</u>
	<u>\$ 567,105</u>

In the event of a loan failure, the District maintains a loan loss reserve account for the Intermediary Relending Program. As of September 30, 2021 and 2020, the loan loss reserve balance was \$18,883 and \$23,360, respectively.

**COLUMBIA PACIFIC ECONOMIC DEVELOPMENT DISTRICT**

*(A Nonprofit Corporation)*

*NOTES TO FINANCIAL STATEMENTS (Continued)*

*YEARS ENDED SEPTEMBER 30, 2021 AND 2020*

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**NOTES PAYABLE**

CPEDD received a direct loan of \$660,000 from the USDA under the Intermediary Relending Program. Interest is at a rate of 1.00 percent. Annual payments of \$28,017 are required, including interest. The loan is secured by all accounts and notes receivable arising from the Intermediary Relending Fund and all funds held in the loan loss reserve fund, and is due April 6, 2039.

\$ 331,068      \$ 355,634

Notes payable maturities outstanding are as follows:

***Year Ending  
September 30,***

2022	\$ 39,896
2023	40,296
2024	40,699
2025	41,106
2026	41,516
Thereafter	<u>127,555</u>
	<u>\$ 331,068</u>

**RISKS AND CONTINGENCIES**

As a result of the recent coronavirus pandemic (COVID-19), numerous sectors of the economy are suffering damage and long-term economic and business consequences of this remain unknown. The extent to which this will impact the District is unknown.

**SUBSEQUENT EVENTS**

Management has evaluated subsequent events through May 19, 2022, the date on which the financial statements were available to be issued. Management is not aware of any subsequent events that require recognition or disclosure in the financial statements.

***OTHER INFORMATION***



**COLUMBIA PACIFIC ECONOMIC DEVELOPMENT DISTRICT***(A Nonprofit Corporation)***COMBINING STATEMENTS OF FINANCIAL POSITION****YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

	<b>2021</b>			
	<b>General</b>	<b>Intermediary</b>	<b>Rural Business</b>	
	<b>Fund</b>	<b>Relending</b>	<b>Enterprise</b>	
	<b>Fund</b>	<b>Fund</b>	<b>Grant</b>	<b>Totals</b>
	<b>Fund</b>	<b>Fund</b>	<b>Loan Fund</b>	<b>Totals</b>
<b>ASSETS</b>				
Cash and investments	\$ 88,152	\$ 133,181	\$ 401,677	\$ 623,010
Accounts receivable	-	-	-	-
Loans receivable (less allowance for bad debts of \$18,883 and \$23,360, respectively)	-	295,828	271,277	567,105
Interest receivable	-	1,664	823	2,487
Due from other funds	1,778	1,633	-	3,411
Prepaid expenses	1,863	113	203	2,179
<i>Total Assets</i>	<u>\$ 91,793</u>	<u>\$ 432,419</u>	<u>\$ 673,980</u>	<u>\$ 1,198,192</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>Liabilities</b>				
Accounts payable	\$ 15,261	\$ -	\$ -	\$ 15,261
Accrued interest	-	73	-	73
Accrued payroll and payroll taxes	18,961	-	-	18,961
Notes payable	-	331,068	-	331,068
Due to other funds	-	-	3,410	3,410
<i>Total Liabilities</i>	<u>34,222</u>	<u>331,141</u>	<u>3,410</u>	<u>368,773</u>
<b>Net Assets</b>				
Without donor restrictions				
Undesignated	57,571	-	-	57,571
With donor restrictions - purpose restrictions				
Intermediary Relending fund	-	101,278	-	101,278
Rural Business Enterprise Grant Loan fund	-	-	670,570	670,570
<i>Total Net Assets</i>	<u>57,571</u>	<u>101,278</u>	<u>670,570</u>	<u>829,419</u>
<i>Total Liabilities and Net Assets</i>	<u>\$ 91,793</u>	<u>\$ 432,419</u>	<u>\$ 673,980</u>	<u>\$ 1,198,192</u>

**2020**

<b>General Fund</b>	<b>Intermediary Relending Fund</b>	<b>Rural Business Enterprise Grant Loan Fund</b>	<b>Totals</b>
\$ 126,143	\$ 73,498	\$ 403,104	\$ 602,745
7,188	-	-	7,188
-	365,969	263,663	629,632
-	1,664	823	2,487
-	279	981	1,260
1,732	390	663	2,785
<hr/>	<hr/>	<hr/>	<hr/>
\$ 135,063	\$ 441,800	\$ 669,234	\$ 1,246,097
<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
\$ -	\$ -	\$ -	\$ -
-	78	-	78
5,529	-	-	5,529
-	355,634	-	355,634
1,260	-	-	1,260
<hr/>	<hr/>	<hr/>	<hr/>
6,789	355,712	-	362,501
<hr/>	<hr/>	<hr/>	<hr/>
128,274	-	-	128,274
-	86,088	-	86,088
-	-	669,234	669,234
<hr/>	<hr/>	<hr/>	<hr/>
128,274	86,088	669,234	883,596
<hr/>	<hr/>	<hr/>	<hr/>
\$ 135,063	\$ 441,800	\$ 669,234	\$ 1,246,097
<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**COLUMBIA PACIFIC ECONOMIC DEVELOPMENT DISTRICT**  
(A Nonprofit Corporation)  
COMBINING STATEMENTS OF ACTIVITIES  
YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	<b>2021</b>			
	<b>General</b>	<b>Intermediary</b>	<b>Rural Business</b>	
	<b>Fund</b>	<b>Relending</b>	<b>Enterprise</b>	
		<b>Fund</b>	<b>Grant</b>	<b>Totals</b>
			<b>Loan Fund</b>	
<b>REVENUES</b>				
Grants and contracts	\$ 3,199,734	\$ -	\$ -	\$ 3,199,734
Interest income	584	19,316 *	14,693 *	34,593
Membership dues	18,750	-	-	18,750
Loan fees	-	-	-	-
<i>Total Revenues</i>	3,219,068	19,316	14,693	3,253,077
<b>EXPENSES</b>				
Program services	\$ 2,753,137	\$ 4,126	\$ 13,357	\$ 2,770,620
Supporting services	536,634	-	-	536,634
<i>Total Expenses</i>	3,289,771	4,126	13,357	3,307,254
<b>CHANGE IN NET ASSETS</b>	(70,703)	15,190	1,336	(54,177)
<b>NET ASSETS, Beginning of year</b>	128,274	86,088	669,234	883,596
<b>NET ASSETS, End of year</b>	\$ 57,571	\$ 101,278	\$ 670,570	\$ 829,419

\* These revenues are received within the program, however, they are not restricted for use.

<b>2020</b>			
<b>Rural Business</b>			
<b>General Fund</b>	<b>Intermediary Relending Fund</b>	<b>Enterprise Grant Loan Fund</b>	<b>Totals</b>
\$ 1,095,295	\$ 50,000	\$ -	\$ 1,145,295
206	18,808 *	8,303 *	27,317
18,750	-	-	18,750
-	511 *	1,657 *	2,168
1,114,251	69,319	9,960	1,193,530
\$ 788,736	\$ 13,739	\$ 16,406	\$ 818,881
248,681	-	-	248,681
1,037,417	13,739	16,406	1,067,562
76,834	55,580	(6,446)	125,968
51,440	30,508	675,680	757,628
\$ 128,274	\$ 86,088	\$ 669,234	\$ 883,596

***COMPLIANCE SECTION***



# GROVE, MUELLER & SWANK, P.C.

Certified Public Accountants and Consultants

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## ***INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS***

Board of Directors  
Columbia Pacific Economic Development District  
St. Helens, Oregon

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Columbia Pacific Economic Development District (a nonprofit corporation), which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 19, 2022.

### ***Internal Control Over Financial Reporting***

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

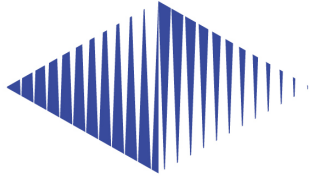
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Grove, Mueller & Swank, P.C.*

CERTIFIED PUBLIC ACCOUNTANTS

May 19, 2022

*See notes to schedule of expenditures of federal awards.*



# GROVE, MUELLER & SWANK, P.C.

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## ***INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE***

Board of Directors  
Columbia Pacific Economic Development District  
St. Helens, Oregon

### ***Report on Compliance for Each Major Federal Program***

We have audited Columbia Pacific Economic Development District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended September 30, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, Columbia Pacific Economic Development District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.

*See notes to schedule of expenditures of federal awards.*



## ***Report on Internal Control over Compliance***

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Grove, Mueller & Swank, P.C.*

CERTIFIED PUBLIC ACCOUNTANTS

May 19, 2022

*See notes to schedule of expenditures of federal awards.*

**COLUMBIA PACIFIC ECONOMIC DEVELOPMENT DISTRICT**  
*(A Nonprofit Corporation)*  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED SEPTEMBER 30, 2021**

<b><i>Federal Grantor/ Pass-Through Grantor/Program Title</i></b>	<b><i>Assistance Listing Number</i></b>	<b><i>Pass-Through Grantor's Number</i></b>	<b><i>Expenditures</i></b>
<b>U.S. Department of Agriculture</b>			
Intermediary Relending Program			
RLF Loan Balance as of 9/30/2021	10.767	N/A	\$ 331,068
Regional Food System Partnership	10.177	N/A	89,727
Federal CARES ACT			
COVID-19- Coronavirus Relief Fund	21.019	Round 4	2,200,000
<b>Total U.S. Department of Agriculture</b>			<u>2,631,837</u>
<b>Department of Commerce</b>			
Economic Development Support			
for Planning Organizations	11.302	N/A	75,000
<i>Economic Development Cluster</i>			
Economic Adjustment Assistance	11.307	N/A	200,000
<b>Total U.S. Department of Commerce</b>			<u>275,000</u>
<b>Total Expenditures of Federal Awards</b>			<u><u>\$ 2,906,837</u></u>

*See notes to schedule of expenditures of federal awards.*

**COLUMBIA PACIFIC ECONOMIC DEVELOPMENT DISTRICT**

*(A Nonprofit Corporation)*

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED SEPTEMBER 30, 2021**

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**PURPOSE OF THE SCHEDULE**

*Basis of Presentation*

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Columbia Pacific Economic Development District under programs of the federal government for the year ended September 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**INDIRECT COST RATE**

The District has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**LOANS OUTSTANDING**

The federal expenditures related to the Intermediary Relending Program reported on the SEFA were calculated as follows:

Balance of outstanding loans, beginning of year	\$ 320,026
Interest subsidy	11,042
	<hr/>
Total awards expended	<u>\$ 331,068</u>

The outstanding loan balance related to the Intermediary Relending Program as of September 30, 2021 was as follows:

Balance of outstanding loans, end of year	<u>\$ 331,068</u>
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**COLUMBIA PACIFIC ECONOMIC DEVELOPMENT DISTRICT**

*(A Nonprofit Corporation)*

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**YEAR ENDED SEPTEMBER 30, 2021**

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**SUMMARY OF AUDITOR'S RESULTS**

***Financial Statements***

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

***Federal Awards***

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	No

Identification of major program:

**CFDA Numbers**

**Name of Federal Program or Cluster**

21.019

Coronavirus Relief Fund

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

**FINANCIAL STATEMENT FINDINGS**

None

**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None