

COLUMBIA DEVELOPMENT AUTHORITY
BOARDMAN, OREGON

Financial Statements and
Independent Auditors' Report

June 30, 2023

COLUMBIA DEVELOPMENT AUTHORITY

Board of Directors

<u>Name</u>		<u>Term Expires</u>
Kim Puzey, Chairman	Port of Umatilla	December 31, 2025
John Shafer, Vice-Chair	Umatilla County	December 31, 2026
Joel Peterson	Port of Morrow	December 31, 2028
JD Tovey	CTUIR	December 31, 2028
Jeff Wenholtz	Morrow County	December 31, 2027

Alternates

Robert Blanc	Port of Umatilla	December 31, 2025
Dan Dorran	Umatilla County	December 31, 2026
Lisa Mittelsdorf	Port of Morrow	December 31, 2028
Gary Burke	CTUIR	December 31, 2028
David Sykes	Morrow County	December 31, 2027

Executive Director: Greg Smith

Project Coordinator: Emily Collins

OFFICIAL ADDRESS

PO Box 200

Boardman, OR 97818

Telephone: (541) 481-3693

REGISTERED AGENT

Greg Smith

PO Box 200

Boardman, OR 97818

COLUMBIA DEVELOPMENT AUTHORITY

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A N D E R S O N
B O Y L A N
R A M O S , P . C .

CERTIFIED PUBLIC ACCOUNTANTS

Cameron W. Anderson, CPA
Mitchell L. Boylan, CPA
Rebecca K. Ramos Bautista, CPA
Crystal R. Chase, CPA

PO Box 999
985 N 1st St.
Hermiston, OR 97838
(541) 564-2200

INDEPENDENT AUDITORS' REPORT

Board of Directors
Columbia Development Authority
Boardman, Oregon

Report on Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of Columbia Development Authority, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Columbia Development Authority, as of June 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of Columbia Development Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Columbia Development Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Governmental Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Governmental Auditing Standards*, we:

- Exercise professional judgement 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 including 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 Columbia Development Authority'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Columbia Development Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7-11, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the general fund budget-to-actual statement that accounting principles generally accepted in the United States of America require to be presented to supplement 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 opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Columbia Development Authority's basic financial statements. The supplementary information on pages 25-28, is presented for purposes of additional analysis and is not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Reports on Other Legal and Regulatory Requirements

Other Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated September 17, 2025, on our consideration of Columbia Development Authority's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2025, on our consideration of Columbia Development Authority'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 the effectiveness of the Authority's 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 the Authority's internal control over financial reporting and compliance

Anderson Boylan Ramos, P.C.

By: Rebecca Ramos Bautista

Rebecca K. Ramos Bautista, Shareholder
September 17, 2025

COLUMBIA DEVELOPMENT AUTHORITY

Management's Discussion and Analysis

June 30, 2023

This discussion and analysis provides highlights of financial activities of the Columbia Development Authority (CDA). The analysis focuses on the CDA's overall financial position, results of operations, and other important economic factors for the year ended June 30, 2023.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the CDA's basic financial statements. The CDA's basic financial statements are divided into three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to the financial statements. Together, they provide a comprehensive overview of the CDA's financial position. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements.

- 1. Government-wide financial statements.** The government-wide financial statements present information about the financial activities of the CDA as a whole, in a manner similar to a private sector business.

The Statement of Net Position presents information on all of the CDA's assets, liabilities, and deferred inflows and outflows of resources. When assets and deferred outflows of resources are reduced by liabilities and deferred inflows of resources, the difference is net position over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the CDA is improving or deteriorating.

The Statement of Activities presents information showing how the CDA's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected grant revenues).

- 2. Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The CDA uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental funds are used to account for activities where the emphasis is placed on available financial resources, rather than upon net income determination. Therefore, unlike the government-wide financial statements, governmental fund financials focus on the acquisition and use of current spendable resources, as well as the balances of spendable resources at the end of the fiscal year. The CDA maintains one governmental fund, the general fund.

- 3. Notes to the Financial Statements.** The notes provide additional information necessary to gain a full understanding of the financial statements.

COLUMBIA DEVELOPMENT AUTHORITY

Management's Discussion and Analysis

June 30, 2023

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Columbia Development Authority (CDA), assets exceeded liabilities by \$119,411 at the close of the fiscal year. The following statement summarizes CDA's net position at June 30, 2023 and for the previous fiscal year ending June 30, 2022.

	Net Position		
	June 30,		Increase (Decrease) from prior Fiscal Year
	2023	2022	
Current and other assets	\$ 50,514	\$ 134,128	\$ (83,614)
Capital assets	1,047,697	-	1,047,697
Total assets	1,098,211	134,128	964,083
Current liabilities	978,800	6,750	972,050
Total liabilities	978,800	6,750	972,050
Net position:			
Net investment in capital assets	87,697	-	87,697
Restricted	31,714	127,378	(95,664)
Total net position	\$ 119,411	\$ 127,378	\$ (7,967)

A portion of CDA's net position reflects its investment in capital assets. CDA had outstanding debt of \$960,000 related to these assets at the close of the fiscal year. The remaining balance of net position is restricted for the economic development of property conveyed from the U.S. Army.

Capital assets increased by \$1,047,697 due to the land acquisition from the US Army. Current liabilities increased significantly due to the \$960,000 in debt taken out to purchase the land from the US Army.

COLUMBIA DEVELOPMENT AUTHORITY

Management's Discussion and Analysis

June 30, 2023

The following statement summarizes the key elements of CDA's change in net position for the year ended June 30, 2023, as well as compares it to the prior year.

	Changes in Net Position		
	June 30,		Increase (Decrease) from prior Fiscal Year
	2023	2022	
Revenues:			
Lease income	18,953	19,950	(997)
Total revenues	18,953	19,950	(997)
Expenses:			
Current	11,920	11,071	849
Debt service	15,000	-	15,000
Total expenses	26,920	11,071	15,849
Change in net position	(7,967)	8,879	(16,846)
Beginning net position	127,378	118,499	8,879
Ending net position	<u>\$ 119,411</u>	<u>\$ 127,378</u>	<u>\$ (7,967)</u>

During the current fiscal year, CDA's net position decreased \$7,967. This was due to land acquisition with associated debt as well as increased expenses related to the land acquired.

Debt service expense of \$15,000 was the loan fee required to secure the promissory note to the US Army.

COLUMBIA DEVELOPMENT AUTHORITY

Management's Discussion and Analysis

June 30, 2023

General Fund Analysis

The following statements summarize CDA's fund balance at June 30, 2023 and changes in fund balance for the fiscal year, as well as compare them to the prior year.

	Balance Sheet		
	June 30,		Increase (Decrease) from prior Fiscal Year
	2023	2022	
Current assets	\$ 50,514	\$ 134,128	\$ (83,614)
Current liabilities	10,800	6,750	4,050
Ending Fund balance	<u>\$ 39,714</u>	<u>\$ 127,378</u>	<u>\$ (87,664)</u>

Current assets decreased due to cash paid for closing costs on the land acquisition.

	Changes in Fund Balance		
	June 30,		Increase (Decrease)
	2023	2022	
Revenues:			
Lease income	\$ 26,953	\$ 19,950	\$ 46,903
Total revenues	<u>26,953</u>	<u>19,950</u>	<u>46,903</u>
Expenditures:			
Current	11,920	11,071	849
Capital outlay	1,047,697	-	1,047,697
Debt Service	15,000	-	15,000
Total expenses	<u>1,074,617</u>	<u>11,071</u>	<u>1,063,546</u>
Excess (deficiency) of revenues over (under expenditures)	<u>(1,047,664)</u>	<u>8,879</u>	<u>(1,056,543)</u>
Other financing sources	<u>960,000</u>	<u>-</u>	<u>960,000</u>
Increase (decrease) in fund balance	<u>(87,664)</u>	<u>8,879</u>	<u>(96,543)</u>
Beginning fund balance	<u>127,378</u>	<u>118,499</u>	<u>8,879</u>
Ending fund balance	<u>\$ 39,714</u>	<u>\$ 127,378</u>	<u>\$ (87,664)</u>

During the current fiscal year, CDA's general fund balance decreased \$87,664, mainly due to cash paid for closing costs on the land acquisition.

COLUMBIA DEVELOPMENT AUTHORITY

Management's Discussion and Analysis (continued)

June 30, 2023

Capital Assets

CDA had \$1,047,697 in capital assets at June 30, 2023. CDA only has non-depreciable assets:

Capital Assets at Year-End

	2023	2022
Land	\$1,047,697	\$ -
Total capital assets	\$1,047,697	\$ -

Short-Term Debt

Short-Term debt at Year End

	2023	2022
US Army	\$ 960,000	\$ -
Total short-term debt	\$ 960,000	\$ -

At June 30, 2023, CDA had \$960,000 of debt outstanding, an increase from zero in the prior year. Additional information on short-term debt can be found in Note 7 to the financial statements.

Budgetary Highlights

CDA did not adopt a budget for its general fund for the fiscal year ended June 30, 2023. The CDA is not required to follow Oregon local budget law.

Economic Factors

CDA is highly dependent on member contributions for general operations. Due to a lawsuit filed in June 2024, by two members, it is unclear if CDA will continue to receive financial support from three out of the five members.

Requests for Information

This financial report is designed to provide a general overview of Columbia Development Authority's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Columbia Development Authority at P.O. Box 200, Boardman, OR 97818.

COLUMBIA DEVELOPMENT AUTHORITY

Governmental Fund Balance Sheet/Statement of Net Position

June 30, 2023

	General Fund	Adjustments (Note 4)	Statement of Net Position
<u>ASSETS:</u>			
Cash	\$ 35,391	\$ -	\$ 35,391
Prepaid expenses	15,123	-	15,123
Capital assets, nondepreciable	-	1,047,697	1,047,697
Total assets	<u>50,514</u>	<u>1,047,697</u>	<u>1,098,211</u>
<u>LIABILITIES:</u>			
Current liabilities:			
Note Payable - US Army	-	960,000	960,000
Unearned revenue	10,800	8,000	18,800
Total liabilities	<u>10,800</u>	<u>968,000</u>	<u>978,800</u>
<u>FUND BALANCES/NET POSITION:</u>			
Fund balances:			
Nonspendable	15,123	(15,123)	-
Restricted	24,591	(24,591)	-
Total fund balances	<u>39,714</u>	<u>(39,714)</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 50,514</u>		
Net position:			
Investment in capital assets		87,697	87,697
Restricted		(8,000)	31,714
Total net position		<u>\$ 79,697</u>	<u>\$ 119,411</u>

See accompanying independent auditors' report
and notes to the financial statements.

COLUMBIA DEVELOPMENT AUTHORITY

Statement of Governmental Fund Revenues,
Expenditures, and Changes in Fund Balance/Statement of Activities
For the Year Ended June 30, 2023

	<u>General Fund</u>	<u>Adjustments (Note 5)</u>	<u>Statement of Activities</u>
<u>EXPENDITURES/EXPENSES:</u>			
Current			
General operations and administration	\$ 11,920	\$ -	\$ 11,920
Capital Outlay	1,047,697	(1,047,697)	-
Debt Service	15,000	-	15,000
Total expenditures/expenses	<u>1,074,617</u>	<u>(1,047,697)</u>	<u>26,920</u>
<u>GENERAL REVENUES:</u>			
Rent/lease income	<u>26,953</u>	<u>(8,000)</u>	<u>18,953</u>
Total general revenues	<u>26,953</u>	<u>(8,000)</u>	<u>18,953</u>
Excess (deficiency) of revenues over (under expenditures)	<u>(1,047,664)</u>	<u>1,039,697</u>	<u>(7,967)</u>
<u>OTHER FINANCING SOURCES:</u>			
Issuance of debt	<u>960,000</u>	<u>(960,000)</u>	<u>-</u>
Total other financing sources	<u>960,000</u>	<u>(960,000)</u>	<u>-</u>
<u>CHANGE IN FUND BALANCE</u>	(87,664)	87,664	-
<u>CHANGE IN NET POSITION</u>		(7,967)	(7,967)
<u>FUND BALANCE/NET POSITION:</u>			
Beginning of the year	<u>127,378</u>	<u>-</u>	<u>127,378</u>
End of the year	<u><u>\$ 39,714</u></u>	<u><u>\$ 79,697</u></u>	<u><u>\$ 119,411</u></u>

See accompanying independent auditors' report
and notes to the financial statements.

COLUMBIA DEVELOPMENT AUTHORITY

Notes to Financial Statements

June 30, 2023

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Reporting entity:

The Columbia Development Authority (CDA) is a local redevelopment authority created by an Intergovernmental Agreement dated May 15, 1995; amended and restated July 14, 2014. The CDA is comprised of five members: The Port of Morrow, Port of Umatilla, Confederated Tribes of the Umatilla Indian Reservation, and the counties of Morrow and Umatilla. The CDA was created to administer the transition of the Umatilla Army Depot located in Umatilla and Morrow Counties from military to civilian use. These financial statements present all the fund types and account groups of the CDA.

The Columbia Development Authority's goal has been funded for several years through an Office of Local Defense Community Cooperation (OLDCC) grant received, administered, and reported by the Port of Morrow. CDA staff are paid by the Port of Morrow through the OLDCC grant. The Port of Morrow board has final authority over the OLDCC grant. Although some goals of the CDA are supported through the grant received by the Port of Morrow, the CDA is not a component unit of the Port of Morrow nor is the Port of Morrow a component of CDA.

On March 3, 2023, the CDA became owners of 9,511.37 acres of land that was transferred from the US Army to CDA for less than fair market value. Due to current Economic Development Conveyance (EDC) legislation and Article 4 of the Agreement between the US Army and CDA, EDC recipients are required to reinvest proceeds received from the sale, lease, or equivalent use of former military base assets into job-generation and economic redevelopment activities related to the conveyed property.

Measurement focus, basis of accounting, and financial statement presentation:

The government-wide financial statements (the statement of net position and the statement of activities) are reported using the economic resources measurement focus and 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.

Governmental fund financial statements (the fund balance sheet and the statement of revenues, expenditures, and changes in fund balance) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the CDA considers revenues to be available if they are collected within 30 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.

The CDA uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The CDA only uses governmental funds.

COLUMBIA DEVELOPMENT AUTHORITY

Notes to Financial Statements

June 30, 2023

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses, and balances of current financial resources. Expended assets are assigned to various governmental funds according to the purpose for which they may or must be used. The difference between governmental fund assets and liabilities is reported as fund balance.

The CDA reports the following major governmental fund:

General Fund:

This fund is used to finance the general operations of the CDA. Its purpose is to account for and report all financial resources and expenditures of the CDA. The principal revenue sources are member contributions and grant income.

Budget procedures:

The CDA is not subject to Oregon budget law under Oregon Revised Statutes (ORS) 294.305 through 294.595 or ORS 294.900 through 294.930. Because CDA does not have a legally adopted budget, a statement comparing budgeted revenues, expenditures and changes in fund balance is not required, and has not been included in these financial statements.

Capital assets and depreciation:

Capital assets result from expenditures in the governmental funds. These assets are reported on the statement of net position but are not reported in the fund financial statements. All capital assets are recorded at cost. Donated assets are valued at estimated fair market value on the date donated. Improvements are capitalized, however normal maintenance and repairs are not capitalized. CDA has not incurred any interest expense in the acquisition of capital assets.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided on the straight-line basis over the assets' estimated useful lives. A capitalization threshold of \$5,000 and a useful life of greater than one year is used to report capital assets.

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

Cash and investment policy:

CDA money is invested as allowed by Oregon Statute. Presently, CDA has no investments and all cash is held in a bank checking account.

COLUMBIA DEVELOPMENT AUTHORITY

Notes to Financial Statements

June 30, 2023

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Deferred inflows of resources - governmental funds:

In addition to liabilities, the governmental fund balance sheet reports a separate section for deferred inflows of resources. Deferred inflows of resources represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that future period. Revenue received after 30 days of the end of the current fiscal period under the modified accrual basis of accounting, qualify for reporting in this category. Accordingly, these items, unavailable revenues, are reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Unearned revenue:

Unearned revenue includes items where the money has been received but services have not yet been provided. Unearned income consists of rent security deposits, rent received for future periods and deposits on a future land purchase.

Prepaid expenses:

Certain payments to vendors reflect costs applicable to future accounting periods and are reflected as prepaid items. Prepaid expense consists of payments for insurance coverage for periods beyond the current fiscal year end.

Use of estimates

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

Income taxes:

The CDA is exempt from federal and state income taxes.

Net position:

Net position presents the difference between assets and liabilities in the statement of net position. Net position is reported as restricted when there are legal limitations imposed on its use by laws or regulations. When the option is available to use restricted or unrestricted resources for any purpose, the CDA will expend restricted resources first.

COLUMBIA DEVELOPMENT AUTHORITY

Notes to Financial Statements

June 30, 2023

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Fund Balance:

In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories and prepaid amounts.

Fund balance is reported as restricted when the constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or (b) imposed by laws through constitutional provisions or enabling legislation.

Fund balance is reported as committed when the Board passes an ordinance that places specific constraints on how the resources may be used. The Board can modify or rescind the ordinance at any time through passage of an additional ordinance.

Fund balance is reported as assigned when resources are constrained by the government's intent to use them for a specific purpose, but are neither restricted nor committed. Intent is expressed when the Board approves which resources should be "reserved" during the adoption of the budget.

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned. This classification is also used to report any negative fund balance amounts in other governmental funds.

When the option is available to use restricted or unrestricted resources for any purpose, CDA expends restricted resources first. When the option is available to use committed, assigned, or unassigned resources for any purpose, CDA expends committed resources before assigned resources, and assigned resources before unassigned resources.

COLUMBIA DEVELOPMENT AUTHORITY

Notes to Financial Statements

June 30, 2023

NOTE 2--CASH:

The CDA maintains one depository account with one financial institution. The cash balance of this depository account at June 30, 2023 was \$60,595.

Custodial Credit Risk - Deposits:

In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned. ORS Chapter 295 governs the collateralization of Oregon public funds and provides the statutory requirements for the Public Funds Collateralization Program. The Public Funds Collateralization Program was created by the Office of the State Treasurer to facilitate bank depository, custodian and public official compliance with ORS 295. ORS 295 requires the qualified depository to pledge collateral against any public funds deposits in excess of deposit insurance amounts. As of June 30, 2023 the CDA's deposits were insured by federal depository insurance. It is the CDA's policy to maintain its funds at a financial institution deemed to be a qualified depository by the Office of the State Treasurer.

NOTE 3--RISK MANAGEMENT:

The CDA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There were no significant reductions in insurance coverage from coverage in the prior year.

COLUMBIA DEVELOPMENT AUTHORITY

Notes to Financial Statements

June 30, 2023

NOTE 4--RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES:

Total governmental fund balances	\$ 39,714
Capital assets used in governmental activities are not financial assets and therefore are not reported in the funds.	1,047,697
Debt related to capital asset acquisition is not reported in the funds because capital assets used in governmental activities are not financial resources.	(960,000)
Deposits on long-term contracts are reported as income when received in the governmental funds, however, they are treated as a long-term deposit until the asset is sold in government-wide statements.	(8,000)
Net position of governmental activities	<u><u>\$ 119,411</u></u>

NOTE 5--RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES:

Net change in governmental fund balances	\$ (87,664)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	1,047,697
Debt proceeds are recorded as other financing sources in the governmental funds, but the proceeds are added to liabilities in the government-wide statements.	(960,000)
Deposits on long-term contracts	<u>(8,000)</u>
Change in net position of governmental activities	<u><u>\$ (7,967)</u></u>

COLUMBIA DEVELOPMENT AUTHORITY

Notes to Financial Statements

June 30, 2023

NOTE 6--CAPITAL ASSETS:

Capital assets and related changes therein consisted of the following:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<u>Capital assets not being depreciated:</u>				
Land	\$ -	\$ 1,047,697	\$ -	\$ 1,047,697
Total capital assets not being depreciated	<u>\$ -</u>	<u>\$ 1,047,697</u>	<u>\$ -</u>	<u>\$ 1,047,697</u>

NOTE 7--SHORT-TERM DEBT:

Changes in short-term debt during the year ended June 30, 2023 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending Balance</u>
US Army	<u>\$ -</u>	<u>\$ 960,000</u>	<u>\$ -</u>	<u>\$ 960,000</u>

On March 3, 2023, CDA signed a promissory note to the US Army for \$960,000 for the remainder of the consideration for acreage being conveyed to CDA by the US Army. The note had a 0% interest rate and the principal amount was due within 12 months following the closing of Parcel 1. The loan was secured by an irrevocable Letter of Credit issued by a local bank for CDA.

On March 3, 2023, CDA was approved by a local bank for a promissory note of \$960,000 with an interest rate of 8.75%, to secure the Army promissory note listed above. CDA did not have to use this loan and the balance remained zero through its maturity at April 3, 2024.

COLUMBIA DEVELOPMENT AUTHORITY

Notes to Financial Statements

June 30, 2023

NOTE 8--DEPOSIT ON LONG-TERM CONTRACT:

On June 13, 2023 Cleaver Land, LLC exercised a purchase option on a lease with CDA initially dated December 3, 2019. The option will purchase 40 acres of land conveyed to CDA by the US Army for a net price (minus prior lease payments) of \$48,000. Property line adjustments have to be completed before this purchase can happen. At the fiscal year ended June 30, 2023, \$8,000 had been received on this purchase option.

NOTE 9--LEASES:

CDA is a lessor on leases with two different entities. All leases are one-year or shorter with a one-year renewal ending in the fiscal year ending June 30, 2025. The lease receivables and deferred inflow of resources are immaterial to the financial statements in total and will not be represented on the financial statements.

NOTE 10--COMMITMENTS AND CONTINGENCIES:

CDA is involved in various litigation, threats of complaints and inter-entity disagreements as discussed in Note 12 to the financial statements. All of these issues have a negative effect on the CDA accomplishing its goals.

NOTE 11--RELATED PARTY TRANSACTIONS:

CDA was created through an Intergovernmental Agreement (IGA). Due to this fact, all members of the IGA are responsible for financially supporting CDA when needed. For the year ended June 30, 2023, CDA did not receive income from, or bill its members.

All members look to receive acreage from CDA for either wildlife or economic development. CDA is in the process of transferring acreage to various members, however, due to the ongoing lawsuit, none of the land had been transferred at the date this report was issued.

COLUMBIA DEVELOPMENT AUTHORITY

Notes to Financial Statements

June 30, 2023

NOTE 12--SUBSEQUENT EVENTS:

On July 2, 2024, CDA was sued by Umatilla County in Umatilla County Circuit Court. Morrow County, Port of Morrow, and Port of Umatilla were also named as defendants. Umatilla County's claims include breach of contract, breach of duty of good faith and fair dealing, and declaratory judgement. The claims relate to the CDA board's March 2024 decision to transfer portions of prior Army Depot land owned by CDA to the Port of Morrow and the Port of Umatilla. Umatilla County seeks a judgement declaring defendants breached the agreement and declaring the division and transfers void and invalid, temporary and permanent injunctive relief, and appointment of a receiver over CDA and its assets. Currently, essential terms of a resolution have been reached, but the parties are continuing to negotiate other terms. Umatilla County has not contributed to CDA's bills since the suit was filed and it is expected that this will continue until the matter is resolved.

On May 20, 2025, CDA was sued by Irrigon Rural Fire Protection District in Morrow County Circuit Court. Morrow County, Port of Morrow and Boardman Fire Rescue District are also name as defendants. Irrigon RFPD's claims related to a dispute over who has the authority to provide emergency and protection services for certain portions of CDA's property. A temporary injunction to maintain the status quo expired on July 31, 2025 with no resolution reached. The parties are now proceeding with litigation. It is too uncertain at this stage to determine the likely outcome and any possible damages that could be awarded.

CDA was awarded \$7 million of HB 2017 grant money from the State of Oregon in 2022 to construct a roadway on the CDA land to facilitate development of industrial properties owned by CDA. The total project is expected to cost \$12 million. CDA expects to use \$5 million of HB 5006 funds awarded to Umatilla Electric Cooperative in 2025 that will be earmarked for the CDA road construction to fund the rest of the project.

In March 2025, the federal government notified CDA that the OLDCC grant being run through the Port of Morrow to fund CDA's payroll and other various expenses would end when the current grant cycle ended March 31, 2025. The CDA has had to rely on member contributions for a significant portion of its expenses since the grant ended.

CDA has evaluated subsequent events through the date of this report, which is the date the financial statements were available to be issued, and has concluded that no other subsequent events have occurred that would require recognition in the Financial Statements nor in the Notes to the Financial Statements.

COLUMBIA DEVELOPMENT AUTHORITY

Notes to Financial Statements

June 30, 2023

NOTE 13 -- U.S. ARMY'S LESS THAN FAIR MARKET VALUE ECONOMIC DEVELOPMENT CONVEYANCE PROPERTY:

The CDA received 9,511.37 acres of the former Umatilla Army Depot for consideration of \$1,000,000 on March 3, 2023 for a less than fair market value economic development conveyance. An additional 28.07 acres was planned in the conveyance, however, it had not been conveyed at the end of the 2024 fiscal year, as the Army was still working on remediation of the land. Once the additional acres are conveyed to CDA, the total received from the U.S. Army will be 9,539.44 acres. The fair market value of the land is estimated at \$58,000,000.

For the year ended June 30, 2023, the CDA earned \$11,375 in revenues from the use of the property conveyed to it at less than fair market value by the Army. A breakdown of the revenues received is as follows:

\$8,000 deposit on a purchase option exercised in the prior year for 40 acres of agricultural land.

\$3,375 in lease revenue due to leasing out storage buildings on the property.

For the year ended June 30, 2023, the CDA incurred expenditures for:

Insurance coverage of the conveyed property.

The CDA plans to redevelop the property conveyed to them at less than fair value by the Army, by constructing roadways within the property that connect the Westland Road Interchange, as Exit 10 off of Interstate 82. At June 30, 2023 CDA had leases with two different entities for storage buildings on the property. CDA is in the process of selling a 40 acre piece of agricultural land to a local farmer. CDA is also in the process of transferring 4,019 acres to the Confederate Tribes of the Umatilla Indian Reservation for a wildlife reserve, 1,900 acres to the Port of Morrow for economic development and 2,535 acres to the Port of Umatilla for economic development.

Supplementary Information

COLUMBIA DEVELOPMENT AUTHORITY

Balance Sheet by Income Source- Modified Accrual Basis
June 30, 2023

	CDA general Operating	Other *	Total
<u>ASSETS:</u>			
Cash	\$ 35,391	\$ -	\$ 35,391
Prepaid expenses	-	15,123	15,123
Total assets	<u>35,391</u>	<u>15,123</u>	<u>50,514</u>
<u>LIABILITIES:</u>			
Current liabilities:			
Unearned revenue	-	10,800	10,800
Total liabilities	<u>-</u>	<u>10,800</u>	<u>\$ 10,800</u>
<u>FUND BALANCE:</u>			
Fund Balance:			
Nonspendable	-	15,123	15,123
Restricted	35,391	(10,800)	24,591
Total fund balance	<u>35,391</u>	<u>4,323</u>	<u>39,714</u>
Total liabilities and fund balance	<u>\$ 35,391</u>	<u>\$ 15,123</u>	<u>\$ 50,514</u>

* Other includes sales and/or any other sources of revenues, and expenditures that are derived from the disposal and/or other use of transferred Federal property.

See accompanying independent auditors' report
and notes to the financial statements.

COLUMBIA DEVELOPMENT AUTHORITY

Changes in Income and Expenses by Income Source- Modified Accrual Basis
For the Year Ended June 30, 2023

	<u>CDA general Operations</u>	<u>Other *</u>	<u>Total</u>
<u>EXPENDITURES:</u>			
General operation and administration	\$ 4,868	\$ 7,052	\$ 11,920
Capital Outlay	1,047,697	-	1,047,697
Debt Service	15,000	-	15,000
Total expenditures/expenses	<u>1,067,565</u>	<u>7,052</u>	<u>1,074,617</u>
<u>GENERAL REVENUES:</u>			
Agricultural land rent	8,000	8,000	16,000
Storage building rent	7,578	3,375	10,953
Total general revenues	<u>15,578</u>	<u>11,375</u>	<u>26,953</u>
Excess (deficiency) of revenues over (under expenditures)	<u>(1,051,987)</u>	<u>4,323</u>	<u>(1,047,664)</u>
<u>OTHER FINANCING SOURCES:</u>			
Issuance of debt	960,000	-	960,000
Total other financing sources	<u>960,000</u>	<u>-</u>	<u>960,000</u>
<u>CHANGE IN FUND BALANCE</u>	(91,987)	4,323	(87,664)
<u>FUND BALANCE:</u>			
Beginning of the year	127,378	-	127,378
End of the year	<u>\$ 35,391</u>	<u>\$ 4,323</u>	<u>\$ 39,714</u>

* Other includes sales and/or any other sources of revenues, and expenditures that are derived from the disposal and/or other use of transferred Federal property.

See accompanying independent auditors' report
and notes to the financial statements.

COLUMBIA DEVELOPMENT AUTHORITY

Cash Flows by Source
Year ended June 30, 2023

	<u>General Operations</u>	<u>Other *</u>	<u>Total</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Cash receipts from leases/other direct land uses before land conveyance	\$ 8,500	\$ -	\$ - 8,500
Cash receipts from leases/other direct land uses after land conveyance	-	22,175	22,175
Payments to vendors and suppliers for general administration of LRA goal	(4,539)	(22,175)	(26,714)
Net cash provided by operating activities	<u>3,961</u>	<u>-</u>	<u>3,961</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>			
Acquisition of capital assets	(1,047,697)	-	(1,047,697)
Issuance of capital debt	945,000	-	945,000
Net cash used in capital and related financing activities	<u>(102,697)</u>	<u>-</u>	<u>(102,697)</u>
<u>NET DECREASE IN CASH</u>	<u>(98,736)</u>	<u>-</u>	<u>(98,736)</u>
<u>CASH - BEGINNING OF YEAR</u>	<u>134,127</u>	<u>-</u>	<u>134,127</u>
<u>CASH - END OF YEAR</u>	<u>\$ 35,391</u>	<u>\$ -</u>	<u>\$ 35,391</u>
<u>Reconciliation of change in fund balance to cash provided by operating activities:</u>			
Change in fund balance	\$ (91,987)	\$ 4,323	\$ (87,664)
Issuance of capital debt	(945,000)	-	(945,000)
Acquisition of capital assets	1,047,697	-	1,047,697
<u>Change in assets and liabilities:</u>			
(Increase) decrease in prepaid costs	1	(15,123)	(15,122)
Increase (decrease) in unearned revenue	(6,750)	10,800	4,050
Net cash provided by operating activities	<u>\$ 3,961</u>	<u>\$ -</u>	<u>\$ 3,961</u>

* Other includes sales and/or any other sources of revenues, and expenditures that are derived from the disposal and/or other use of transferred Federal property.

See accompanying independent auditors' report
and notes to the financial statements.

COLUMBIA DEVELOPMENT AUTHORITY

Schedule of Expenses by Allowable Category- Modified Accrual Basis
June 30, 2023

Expense categories under the National Defense Authorization Act of FY 2010

Activities that directly relate to the allowable 12 categories

Insurance for property

\$ 7,052

Total expenses

\$ 7,052

See accompanying independent auditors' report
and notes to the financial statements.



A N D E R S O N
B O Y L A N
R A M O S , P . C .

CERTIFIED PUBLIC ACCOUNTANTS

Cameron W. Anderson, CPA
Mitchell L. Boylan, CPA
Rebecca K. Ramos Bautista, CPA
Crystal R. Chase, CPA

PO Box 999
985 N 1st St.
Hermiston, OR 97838
(541) 564-2200

INDEPENDENT AUDITORS' REPORT
REQUIRED BY OREGON STATE REGULATIONS

Board of Directors
Columbia Development Authority
Boardman, Oregon

We have audited the basic financial statements of Columbia Development Authority (CDA) as of and for the year ended June 30, 2023, and have issued our report thereon dated September 17, 2025. 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 Columbia Development Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

- Deposit of public funds with financial institutions (ORS Chapter 295).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).

Board of Directors
Columbia Development Authority
Boardman, Oregon

In connection with our testing nothing came to our attention that caused us to believe CDA 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.

OAR 162-10-0230 Internal Control

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

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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.

This report is intended solely for the information and use of management and the Board of Directors and is not intended to be and should not be used by anyone other than these specified parties.

Anderson Boylan Ramos, P.C.

By: Rebecca Ramos Bautista
Rebecca K. Ramos Bautista, Shareholder
September 17, 2025



A N D E R S O N
B O Y L A N
R A M O S , P . C .

CERTIFIED PUBLIC ACCOUNTANTS

Cameron W. Anderson, CPA
Mitchell L. Boylan, CPA
Rebecca K. Ramos Bautista, CPA
Crystal R. Chase, CPA

PO Box 999
985 N 1st St.
Hermiston, OR 97838
(541) 564-2200

**INDEPENDENT AUDITORS' 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**

To the Board of Directors of
Columbia Development Authority
Boardman, 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 the governmental activities and major fund of Columbia Development Authority, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Columbia Development Authority's basic financial statements, and have issued our report thereon dated September 17, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Columbia Development Authority'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Columbia Development Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Columbia Development Authority'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 entity'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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Columbia Development Authority'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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Anderson Boylan Ramos, P.C.



Rebecca K. Ramos Bautista, Shareholder

September 17, 2025