

Columbia River Gorge Commission

Financial Statement Audit:
July 1, 2022 through June 30, 2023
2024-04

Interstate Cooperative Agreement with Washington
State Office of State Auditor



Secretary of State
LaVonne Griffin-Valade



Audits Director
Kip Memmott



LaVonne Griffin-Valade Secretary of State
Cheryl Myers Deputy Secretary of State, Tribal Liaison
Kip Memmott Audits Director

The Honorable Tina Kotek
Governor of Oregon

Board of Commissioners
Columbia River Gorge Commission

In accordance with the Interstate Cooperative Agreement between the Washington State Auditor's Office and the Oregon Secretary of State Audits Division, we performed procedures to verify Oregon's share of the Columbia River Gorge Commission's joint expenditures and Commissioners' compensation are in compliance with laws and regulations of the State of Oregon. The Washington State Auditor's Office performed an audit of the Columbia River Gorge Commission and prepared Independent Auditors' Reports on the Commission's financial statement and on internal control over financial reporting as of and for the year ended June 30, 2023. The Oregon Audits Division is issuing these reports as a matter of public information for the taxpayers of Oregon. Likewise, the Washington State Auditor's Office has issued the reports for public use in the State of Washington.

Office of the Secretary of State, Audits Division

Office of the Secretary of State, Audits Division

State of Oregon

January 29, 2024



Office of the Washington State Auditor
Pat McCarthy

Financial Statement Audit Report

Columbia River Gorge Commission

For the period July 1, 2022 through June 30, 2023

Published January 25, 2024

Report No. 1033981



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**Office of the Washington State Auditor
Pat McCarthy**

January 25, 2024

Krystyna Wolniakowski
Columbia River Gorge Commission
White Salmon, Washington

Report on Financial Statement

Please find attached our report on the Columbia River Gorge Commission's financial statement.

We are issuing this report in order to provide information on the Commission's specific financial activity.

Sincerely,

Pat McCarthy, State Auditor
Olympia, WA

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INDEPENDENT AUDITOR'S REPORT

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statement Performed in Accordance with *Government Auditing Standards*

Columbia River Gorge Commission

July 1, 2022 through June 30, 2023

Krystyna Wolniakowski
Columbia River Gorge Commission
White Salmon, Washington

We have audited, 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, the Statement of Expenditures – Budget and Actual – General Fund of the Columbia River Gorge Commission, as of and for the year ended June 30, 2023, and the related notes (the financial statement) and have issued our report thereon dated January 18, 2024.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statement, we considered the Commission'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 statement, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission'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 Commission's financial statement 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 above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

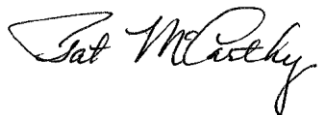
REPORT ON COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Commission's financial statement is 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 statement. 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 Commission'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 Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



Pat McCarthy, State Auditor

Olympia, WA

January 18, 2024

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statement

Columbia River Gorge Commission July 1, 2022 through June 30, 2023

Krystyna Wolniakowski
Columbia River Gorge Commission
White Salmon, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENT

Opinion

We have audited the accompanying Statement of Expenditures – Budget and Actual – General Fund of the Columbia River Gorge Commission, for the year ended June 30, 2023, and the related notes (the financial statement), as listed in the financial section of our report.

In our opinion, the accompanying financial statement referred to above present fairly, in all material respects, the budget and actual expenditures of the Columbia River Gorge Commission, for the year ended June 30, 2023 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 (GAAS) 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 the Financial Statement section of our report. We are required to be independent of the Commission 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 opinion.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement 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 a financial statement that are free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission'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.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

Performing an audit in accordance with GAAS and *Government Auditing Standards* includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission'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 statement;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time; and
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2024 on our consideration of the Commission'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 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 Commission'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 Commission's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

January 18, 2024

FINANCIAL SECTION

Columbia River Gorge Commission July 1, 2022 through June 30, 2023

FINANCIAL STATEMENT

Statement of Expenditures – Budget and Actual – General Fund – 2023
Notes to Financial Statements – 2023

**Columbia River Gorge Commission
Washington State Agency #460
Oregon State Agency #350
Statement of Expenditures - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2023**

General Fund:	2021-2023 Budget	YR1 Actual Exp. June 30, 2022	YR2 Actual Exp. June 30, 2023
Washington Expenditures:			
Joint Operating	1,161,000	552,996	601,678
Klickitat County	191,000	96,330	95,880
Commissioners	32,000	8,430	12,184
Access Database Replacement	213,000	77,591	121,134
WA Legal	350,000	-	17,296
Total Washington	1,947,000	735,347	848,172
Oregon Expenditures:			
Joint Operating	1,161,000	552,994	601,676
Commissioners	29,296	10,090	13,532
Access Database Replacement	213,000	77,590	121,134
Total Oregon	1,403,296	640,674	736,342
Total Agency	3,350,296	1,376,021	1,584,514
Summary			
Washington & Oregon Joint	2,322,000	1,105,990	1,203,354
Washington Commissioners	32,000	8,430	12,184
Oregon Commissioners	29,296	10,090	13,532
Klickitat County	191,000	96,330	95,880
Washington Access Database Replacement	213,000	77,591	121,134
Oregon Access Database Replacement	213,000	77,590	121,134
WA Legal	350,000	-	17,296
Total Agency	3,350,296	1,376,021	1,584,514
Less Oregon Commissioners	29,296	10,090	13,532
Total on Washington AFRS Reports	3,321,000	1,365,931	1,570,982

**Columbia River Gorge Commission
Washington State Agency No. 460
Oregon State Agency No. 350
Notes to the Financial Statement
For the Fiscal Year Ended June 30, 2023**

Note 1 - Summary of Significant Accounting Policies

The accompanying Statement of Expenditures-Budget and Actual of the Columbia River Gorge Commission has been prepared to meet the requirements of the Columbia River Gorge Compact and the Interstate Cooperative Agreement between the Washington State Office of State Auditor and the Oregon Secretary of State, Audits Division. The Statement of Expenditures-Budget and Actual is not intended to be a complete presentation of the commission's assets, liabilities, and revenues nor does it constitute a complete set of financial statements in accordance with generally accepted accounting principles. The more significant of the state's accounting policies are as follows:

A. Reporting Entity

The commission is a regional agency authorized by Congress through the Columbia River Gorge National Scenic Area Act (PL 99-663) and created by the states of Washington and Oregon by interstate compact. The commission is comprised of 12 members from the two states and one member appointed by the US Secretary of Agriculture. Its primary role involves planning, consulting, and oversight in the implementation of the federal legislation. The commission has an authorized staff level of 7.9FTEs.

B. Measurement Focus and Basis of Accounting

The commission uses the general fund to account for all of Columbia River Gorge Commission's general activities. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The general fund is accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for this fund present increases (i.e., revenues and other financial sources) and decreases (i.e., expenditures and other financing uses) as changes in net current assets.

The modified accrual basis of accounting is used by the general fund. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be reasonably estimable. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Under modified accrual accounting, expenditures are recognized when the related fund liability is incurred, if measurable. Exceptions to the general modified accrual expenditure recognition criteria include unmatured interest on general long-term indebtedness which are recognized when due and compensated absences which are recognized when paid.

C. General Budgetary Policies and Procedures

The legal level of budgetary control is at the fund/account, agency and appropriation level, with administrative controls established at lower levels of detail in certain instances. Annual budgets are established at the states' legislative level through an allotment process. Funding is provided by appropriations from the states of Washington and Oregon.

Commissioner compensation, including travel, is paid directly, and accounted for separately, by each state. Washington State has funded one position to support land use planning for Klickitat County, Washington, which is accounted for separately by Washington. In the Fiscal Year 2023 Supplemental Budget, the commission was appropriated an amount to be used for legal services funded solely by Washington. All other commission expenditures are joint expenditures, which are shared equally by both states. These expenditures are processed, paid, and accounted for by the states of Washington and Oregon. Oregon reimburses Washington for its 50 percent share.

D. Compensated Absences

Annual Leave and Sick Leave

Commission employees accrue vested annual leave at a variable rate based on years of service. In general, accrued annual leave cannot exceed 30 days at the employee's anniversary date.

Employees accrue sick leave at the rate of one day per month without limitation on the amount that can be accumulated. Sick leave is not vested; i.e., the commission does not pay employees for unused sick leave upon termination except upon employee death or retirement. At death or retirement, the commission is liable for 25 percent of the employee's accumulated sick leave. In addition, the commission has a "sick leave buyout option" in which each January, employees who accumulate sick leave in excess of 60 days may redeem sick leave earned but not taken during the previous year at the rate of one day's pay in exchange for each four days of sick leave. Accordingly, the general fund recognizes sick leave when it is paid.

Note 2 - Retirement System

Commission employees are currently members of the Washington state retirement system. (Actuarial and other information of this system can be found in the Washington State Annual Comprehensive Financial Report.)

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the Washington State Constitution and is part of the executive branch of state government. The State Auditor is elected by the people of Washington and serves four-year terms.

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

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Secretary of State
LaVonne Griffin-Valade



Audits Director
Kip Memmott

This report is intended to promote the best possible management of public resources.
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