

King Conservation District

ANNUAL FINANCIAL SUMMARY

For the Year Ended December 31, 2021

HIGHLIGHTS

\$437K Surplus for the Year

KCD ended the year with a surplus of \$437,903 due to a 1% increase in revenue over budget and a decrease of 4% in spending under budget.

Interest Rates in LGIP Account dropped in 2021

The interest rates in 2021 in the State LGIP Account dropped significantly, bringing interest income down 95% under budget and 82% under the prior year. KCD will need to review the budget implications of this drop for 2022.

Budget to Actual

2021 though close to budget in most categories, resulted in a surplus for KCD.

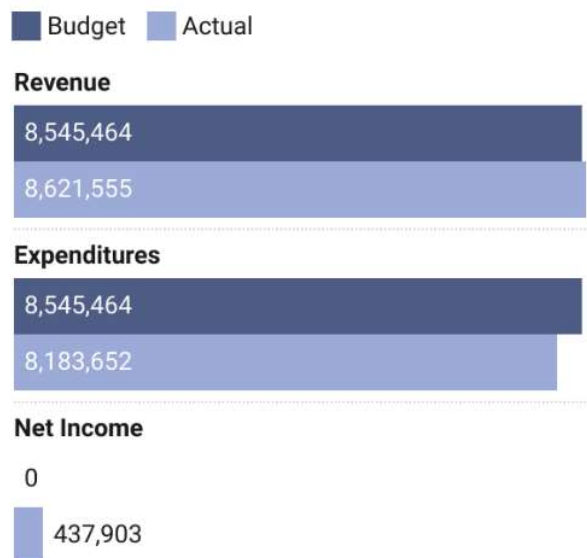


Chart: Erin Clafin Reed, YPTC • Source: MIP • Created with Datawrapper

RECOMMENDATIONS / UPDATES



Build Detailed Schedule of Restricted vs. Unrestricted Net Assets as of 12/31/21

YPTC will assist KCD in building a schedule of restricted and unrestricted net assets for 2022. During this process we will review past allocations of restricted funds and prepare a schedule for use in 2022 for budgeting and programs.



Continue to Develop New Accounting System in QuickBooks

Conversion to QuickBooks started 1/1/2022. Next, beginning balances for January 2022 will be brought into QuickBooks. KCD should continue to develop new standard operating procedures as related to Accounts Payable, Receivable, Cash and Check Handling, and Credit Card use updated for the new systems in place.



Conversion to PayNorthwest Complete

Payroll is now being run through PayNorthwest on a semi-monthly schedule. Staff, Managers, and the finance team have access to payroll information at their fingertips!

FINANCIAL DISCUSSIONS

Statement of Financial Position The Statement of Financial Position is presented on a cash basis except for Accrued Leave Payable as required by the BARS Method. Benefits, Taxes, and Credit Card Expenses immediately payable in January are also accrued on this report.

As previously discussed, KCD may want to convert to Accrual Basis for internal reporting purposes.

Statement of Activities The Statement of Activities gives more detail as to specific areas of Revenue and Expenditure as compared to budget and the prior year. Percentage changes show rates of difference for each item. Notable in Revenue is the fluctuation of Grant and Contract Revenue, being up over budget but significantly down from the prior year. Some of this fluctuation is related to the timing of payments from Funders on work completed during the year.

As previously stated, there was a significant drop in Interest rates in the LGIP account.

Salaries and Wages and Benefits are close to the previous year. Contract Services are up quite a bit, due to payments for election services, interim Executive Director and Human Resource support, Finance Team contractors and Working Lands Construction.

Both Member Jurisdiction Payments and Cost Share Payments (included in Grants Out) were down in 2021.

Statement of Cash Flows The Statement of Cash Flows shows an increase in cash from Operating Activities over the previous year of \$447,795. The change includes payments out of \$125,533 for leave payable, during the year due to staffing changes.

Please let me know if you have any questions on the attached reports.

ATTACHMENTS

3. Comparative Statements of Financial Position – As of December 31, 2021 and 2020
4. Comparative Statements of Activities – For the Year Ended December 31, 2021 and 2020
5. Statement of Cash Flows - For the Year Ended December 31, 2021

KING CONSERVATION DISTRICT
 COMPARATIVE STATEMENTS OF FINANCIAL POSITION
 As of December 31, 2021 and 2020

	2021	2020	Variance
ASSETS			
CURRENT ASSETS			
Cash and Equivalents	\$ 12,711,667	\$ 12,263,872	\$ 447,795
Accounts Receivable	-	48,469	(48,469)
Total Current Assets	12,711,667	12,312,341	399,326
Total Assets	12,711,667	12,312,341	399,326
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts Payable	7,978	(33,420)	41,398
Accrued Leave Payable	117,474	243,007	(125,533)
Benefits and Taxes Payable	45,592	-	45,592
Total Current Liabilities	171,044	209,587	(38,543)
Total Liabilities	171,044	209,587	(38,543)
NET ASSETS	12,540,623	12,102,720	437,903
Total Liabilities and Net Assets	\$ 12,711,667	\$ 12,312,307	\$ 399,360

KING CONSERVATION DISTRICT
 COMPARATIVE STATEMENTS OF ACTIVITIES
 For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>Budget</u>	<u>2020</u>	% vs <u>Budget</u>	% vs Prior <u>Year</u>
REVENUE AND SUPPORT					
Grants and Contract Revenue	\$ 526,818	\$ 437,886	\$ 804,795	20%	-35%
Rates and Charges Receipts	7,944,916	7,774,578	7,675,928	2%	4%
Plant Sale Revenue	129,359	120,000	241,005	8%	-46%
Interest Income	11,405	212,250	63,141	-95%	-82%
Other Income	<u>9,058</u>	<u>750</u>	<u>2,725</u>	1108%	232%
Total Revenue and Support	8,621,556	8,545,464	8,787,594	1%	-2%
EXPENSES					
Salaries and Wages	2,177,315	3,327,152	2,309,178	-35%	-6%
Benefits	755,982	-	780,618	-	-3%
Contract Services	2,548,079	1,404,366	1,381,954	81%	84%
Member Jurisdiction Awards	978,778	1,140,000	1,411,528	-14%	-31%
Grants Out	855,617	1,644,700	1,172,444	-48%	-27%
Rent	434,638	415,900	384,474	5%	13%
Field Supplies	151,206	165,710	133,040	-9%	14%
Equipment Rental	67,222	164,000	79,477	-59%	-15%
Insurance	52,054	46,500	41,746	12%	25%
Travel	11,745	10,645	10,895	10%	8%
Office Expense	33,937	77,336	42,960	-56%	-21%
Soil Testing	26,524	25,000	11,701	6%	127%
Equipment	24,921	31,900	33,345	-22%	-25%
Permits and Fees	15,872	25,705	18,923	-38%	-16%
Telephone	16,430	25,000	19,714	-34%	-17%
Advertising and Promotion	6,743	14,500	8,841	-53%	-24%
Dues and Membership	6,217	9,050	5,543	-31%	12%
Fuel	6,540	15,000	5,465	-56%	20%
Repairs and Maintenance	4,974	-	3,824	-	30%
Bank Fees	8,741	3,000	1,313	191%	566%
Interest Expense	<u>118</u>	<u>-</u>	<u>-</u>	-	-
Total Expenses	<u>8,183,653</u>	<u>8,545,464</u>	<u>7,856,983</u>	-4%	4%
Change in Net Assets	437,903	-	930,611	-	-53%
Net Assets, Beginning of Year	<u>12,102,720</u>	<u>12,102,720</u>	<u>11,172,143</u>	-	8%
Net Assets, End of Year	<u>\$ 12,540,623</u>	<u>\$ 12,102,720</u>	<u>\$ 12,102,754</u>	4%	4%

KING CONSERVATION DISTRICT
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2021

OPERATING ACTIVITIES		
Change in Net Assets	\$	437,903
To Adjust for Changes In:		
Accounts Receivable		48,435
Accounts Payable		41,398
Leave Payable		(125,533)
Benefits Payable		45,592
Net Cash Received by Operating Activities		<u>447,795</u>
Cash at Beginning of Period		<u>12,263,872</u>
Cash at End of Period	\$	<u><u>12,711,667</u></u>