



**Tillamook
Estuaries
Partnership**

**FINANCIAL REPORT
September 30, 2024**

TILLAMOOK ESTUARIES PARTNERSHIP

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Tillamook Estuaries Partnership
Tillamook, Oregon

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Tillamook Estuaries Partnership (the "Organization"), which comprise the statement of financial position as of September 30, 2024, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of September 30, 2024, and the changes in its net assets and its cash flows 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 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.

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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 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 statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment 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 include 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 the Organization'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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

Board of Directors
Tillamook Estuaries Partnership
Independent Auditor's Report
June 25, 2025

Other Matter

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 US, *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 June 25, 2025, on our consideration of the Organization'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 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 Organization's internal control over financial reporting and compliance.

The signature is written in a cursive, handwritten style. It reads "Singer Lewak LLP".

June 25, 2025

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FINANCIAL STATEMENTS

TILLAMOOK ESTUARIES PARTNERSHIP

STATEMENT OF FINANCIAL POSITION

September 30, 2024

ASSETS

Cash	\$	530,601
Grants receivable		317,682
Equipment and furniture, net		<u>172,428</u>
Total assets	\$	<u>1,020,711</u>

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable	\$	88,902
Refundable advances		149,501
Accrued vacation payable		<u>27,319</u>
Total liabilities		<u>265,722</u>
Net assets		
Without donor restrictions		700,581
With donor restrictions		<u>54,408</u>
Total net assets		<u>754,989</u>
Total liabilities and net assets	\$	<u>1,020,711</u>

See notes to financial statements.

TILLAMOOK ESTUARIES PARTNERSHIP
STATEMENT OF ACTIVITIES
Year Ended September 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Totals
Support			
Federal and state grants			
Environmental Protection Agency (EPA)	\$ 1,358,552	\$ -	\$ 1,358,552
Oregon Department of Environmental Quality (ODEQ)	72,760	-	72,760
Oregon Watershed Enhancement Board (OWEB)	393,538	-	393,538
National Oceanic and Atmospheric Administration (NOAA)	235,851	-	235,851
Other	47,591	-	47,591
Local grants	64,066	6,338	70,404
Other income	187,479	-	187,479
Contributions			
Cash	52,769	-	52,769
In-kind rent	23,811	-	23,811
Total support	<u>2,436,417</u>	<u>6,338</u>	<u>2,442,755</u>
Expenses			
Program services	2,070,694	-	2,070,694
General and administrative	165,113	-	165,113
Fundraising	61,183	-	61,183
Total expenses	<u>2,296,990</u>	<u>-</u>	<u>2,296,990</u>
Change in net assets	139,427	6,338	145,765
Net assets beginning	<u>561,154</u>	<u>48,070</u>	<u>609,224</u>
Net assets ending	<u>\$ 700,581</u>	<u>\$ 54,408</u>	<u>\$ 754,989</u>

See notes to financial statements.

TILLAMOOK ESTUARIES PARTNERSHIP
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended September 30, 2024

	Program Services					Supporting Services		Totals	
	EPA Programs	ODEQ Projects	OWEB Projects	NOAA Projects	Other Projects	Total Program	General and Administrative		Fundraising
Compensation	\$ 589,206	\$ 4,345	\$ 116,500	\$ 14,042	\$ 75,240	\$ 799,333	\$ 69,610	\$ 41,297	\$ 910,240
Employee benefits	171,637	871	25,446	983	3,300	202,237	20,024	2,886	225,147
Payroll taxes	66,752	578	10,766	1,194	8,991	88,281	8,064	3,378	99,723
Office supplies	7,705	-	-	-	8,895	16,600	229	2,690	19,519
Operating supplies	32,118	23,159	43,127	24,453	34,721	157,578	7,400	4,439	169,417
Printing, postage and advertising	200	-	54	-	170	424	5,089	648	6,161
Telephone and internet	268	-	-	-	267	535	12,574	-	13,109
Rent	-	-	-	-	23,811	23,811	18,240	-	42,051
Utilities	-	-	-	-	20,462	20,462	3,021	-	23,483
Repair and maintenance	537	-	-	-	-	537	941	-	1,478
Insurance	-	-	-	-	-	-	12,830	-	12,830
Travel	27,912	-	391	-	1,723	30,026	383	-	30,409
Dues and subscriptions	-	-	276	-	2,490	2,766	4,448	4,750	11,964
Professional fees	17,300	-	-	-	-	17,300	-	-	17,300
Janitorial	5,133	-	-	-	-	5,133	-	-	5,133
Contract services	259,300	43,807	196,977	-	173,956	674,040	2,012	500	676,552
Computer costs	14,678	-	-	-	-	14,678	248	595	15,521
Depreciation	-	-	-	7,391	9,562	16,953	-	-	16,953
Total expenses by function	\$ 1,192,746	\$ 72,760	\$ 393,537	\$ 48,063	\$ 363,588	\$ 2,070,694	\$ 165,113	\$ 61,183	\$ 2,296,990

See notes to financial statements.

TILLAMOOK ESTUARIES PARTNERSHIP

STATEMENT OF CASH FLOWS Year Ended September 30, 2024

Cash flows from operating activities

Change in net assets	\$	145,765
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		16,953
Changes in operating assets and liabilities		
Grants receivable		146,847
Accounts payable		29,235
Refundable advances		103,983
Accrued vacation payable		<u>4,864</u>

Net cash provided by operating activities 447,647

Cash flows from investing activities

Purchase of equipment		<u>(169,452)</u>
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Net increase in cash 278,195

Cash, beginning 252,406

Cash, ending \$ 530,601

See notes to financial statements.

TILLAMOOK ESTUARIES PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – REPORTING ENTITY

Tillamook Estuaries Partnership (the “Organization”) was incorporated March 4, 2002 to operate programs and projects for the conservation and rehabilitation of the Tillamook Bay Estuary. The Tillamook Bay Estuary is one of 28 estuaries designated as having national significance. The Organization receives most of its financial support through federal awards from the Environmental Protection Agency. The board is comprised of representatives from the businesses, governments and general citizenry in the surrounding area.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Net Assets

Financial statement presentation follows the recommendations of FASB ASC 958-205, “Not-for-Profit Entities— Presentation of Financial Statements.” Under FASB ASC 958-205, the Organization is required to report information regarding its financial position and activities according to two classes of net assets; accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- *Net assets without donor restrictions* – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and board of directors.
- *Net assets with donor restrictions* – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the fund be maintained in perpetuity. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Donor-restricted contributions that are received and spent in the same period are presented as net assets without donor restrictions.

Revenue Recognition

Contributions received are recorded as support that is with donor restrictions or without donor restrictions. Classification is based on the existence and nature of any donor restrictions imposed on the contribution.

TILLAMOOK ESTUARIES PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

The Organization's grant revenue is primarily derived from cost-reimbursable federal and state contracts and grants which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. The Organization elected to use the simultaneous release method for conditional grants which allows the Organization to report donor-restricted contributions whose restrictions are met in the same reporting period as the revenue is recognized as support within net assets without donor restrictions. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenses are reported as refundable advances in the statement of financial position.

Use of Estimates

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

Grants Receivable

Receivables from granting agencies are stated at net realizable value to the Organization.

Equipment and Furniture

Assets with an initial cost greater than \$5,000 and a useful life of more than one year are capitalized as equipment and furniture. Equipment and furniture are stated at cost, or estimated value if donated, less accumulated depreciation which is calculated using the straight-line method over useful lives of 5 to 10 years.

Functional Allocation of Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among program services and supporting services benefited. Salaries, benefits, and other expenses that are associated with more than one program or supporting service are allocated on the basis of estimates of time and effort.

Income Taxes

The Organization is tax-exempt under Section 501(c)(3) of the Internal Revenue Code and qualifies for the charitable contribution deduction. The Internal Revenue Service (IRS) does not classify the Organization as a private foundation. Management has evaluated tax positions taken and there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions.

TILLAMOOK ESTUARIES PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS

NOTE 3 – AVAILABILITY AND LIQUIDITY

The following represents the Organization’s financial assets available to meet general expenditures at September 30, 2024:

Financial assets:	
Cash	\$ 530,601
Grants receivable	<u>317,682</u>
Financial assets available to meet general expenditures over the next twelve months	 <u>\$ 848,283</u>

As part of the Organization’s liquidity management, it structures its financial assets to be available as its general expenses, liabilities and other obligations come due.

NOTE 4 – LAND, EQUIPMENT AND FURNITURE

At September 30, 2024, equipment and furniture consisted of the following:

Equipment and software	\$ 277,574
Land	10,000
Vehicles	41,852
Furniture	<u>15,153</u>
	 344,579
Accumulated depreciation	<u>(172,151)</u>
	 <u>\$ 172,428</u>

NOTE 5 – RETIREMENT PLAN

The Organization sponsors a 401(k) retirement plan. All employees who have attained age 21 are eligible to participate. Employees may elect to defer a portion of their wages up to the limits established in the IRS. In addition, the Organization contributes seven percent of eligible employees’ wages to the plan, subject to IRS limits. Contributions by the Organization for the year ended September 30, 2024, amounted to \$63,957.

TILLAMOOK ESTUARIES PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS

NOTE 6 – IN-KIND RENT

The Organization leases real property from the Port of Garibaldi, which is a governmental entity. Total lease expense for the year ended September 30, 2024, amounted to \$42,051, with \$23,811 of this amount contributed as an in-kind donation. The fair value of the in-kind donation was determined using the Real Market Value (RMV) as certified by the Tillamook County Assessor as the basis for an appraisal for determining annual lease rates. The Organization received the letter from the Port of Garibaldi which had language granting the Organization an in-kind donation for the aforementioned amount. During the year ended September 30, 2024, \$18,240 was paid to the Port of Garibaldi under the lease agreement. Under the lease agreement, which expires June 30, 2025, the Organization is committed to pay the Port of Garibaldi approximately \$14,090 for the year ended September 30, 2025.

NOTE 7 – RISKS AND UNCERTAINTIES

Deposits with Financial Institutions

The Organization’s deposits with financial institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000. Any excess may be subject to risk of loss. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Concentrations

The Organization received a significant portion (approximately 56%) of its support from the Environmental Protection Agency (EPA) under the National Estuary Program. Additionally, approximately 25% of the Organization’s grant receivables as of September 30, 2024 were from the EPA.

NOTE 8 – GRANTS AVAILABLE

The Organization has been awarded various amounts under grant agreements which have not been reported in the financial statements because not all conditions have been met to earn the grant as of September 30, 2024 as follows:

<u>Awarding Agency</u>	<u>Unearned Amount</u>
EPA	\$ 1,961,604
Builder’s Initiative	302,137
OWEB	404,224
NOAA	1,988,816
Hebo Stewardship Group	<u>71,438</u>
	<u>\$ 4,728,218</u>

TILLAMOOK ESTUARIES PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS

NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes at September 30, 2024:

Netarts / Oceanside projects	\$ 14,000
Salmon projects	4,507
Salmon super highway	16,838
Explore nature program	10,000
Travel Oregon	<u>9,063</u>
	<u>\$ 54,408</u>

NOTE 10 – SUBSEQUENT EVENTS

The Organization has evaluated events subsequent to year end through June 25, 2025, which is the date that the financial statements were available to be issued.

In November 2024, the Organization purchased land for a new building which will be called the Estuaries Science Center. The Organization is in the design phase and plans to break ground in summer 2026. The Estuary Science Center will serve as the headquarters for the Organization and include a state-of-the-art laboratory, a community room/classroom, an interpretive area, and office space.

COMPLIANCE SECTION

**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
Tillamook Estuaries Partnership
Tillamook, Oregon

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 (*Government Auditing Standards*), the financial statements of Tillamook Estuaries Partnership (the “Organization”), which comprise the statement of financial position as of September 30, 2024, 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 June 25, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization’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 Organization’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization’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 Organization’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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001, that we consider to be a material weakness in internal control.

Board of Directors
Tillamook Estuaries Partnership
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*

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization’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 statement 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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Organization’s Response to Findings

Government Auditing Standards require the auditor to perform limited procedures on the Organization’s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Organization’s response was not subjected to other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 Organization'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 Organization’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



June 25, 2025

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON
INTERNAL OVER CONTROL COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
Tillamook Estuaries Partnership
Tillamook, Oregon

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Tillamook Estuaries Partnership's (the "Organization") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended September 30, 2024. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization 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, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance Section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during our audit.

Report on 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 a 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.

Board of Directors
Tillamook Estuaries Partnership
Report on Compliance for Each Major Federal Program and Report on
Internal Control over Compliance Required by the Uniform Guidance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal controls over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal controls over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Singer Lewak LLP

June 25, 2025

TILLAMOOK ESTUARIES PARTNERSHIP
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended September 30, 2024

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Agriculture			
<i>U.S. Forest Service</i>			
Passed through Cascade Pacific Resource Conservation and Development			
Watershed Restoration and Enhancement Agreement Authority	10.693	20-SA-11061200-007 WYH20-25	\$ 1,745
Watershed Restoration and Enhancement Agreement Authority	10.693	20-SA-11061200-007 WYH21-26	18,137
Watershed Restoration and Enhancement Agreement Authority	10.693	20-SA-11061200-007 Mod 2	15,076
Watershed Restoration and Enhancement Agreement Authority	10.693	20-SA-11061200-007 WYH22-32	<u>12,634</u>
Total Department of Agriculture			<u>47,592</u>
Department of Commerce			
<i>National Oceanic and Atmospheric Administration</i>			
Congressionally Identified Awards and Projects	11.469		234,541
Habitat Conservation	11.463		1,309
Passed through Pacific States Marine Fisheries Commission			
State of Oregon; Oregon Watershed Enhancement Board	11.438	222-1007-19892	21,700
State of Oregon; Oregon Watershed Enhancement Board	11.438	223-1010-22607	26,335
State of Oregon; Oregon Watershed Enhancement Board	11.438	223-1026-23039	<u>31,551</u>
Total Department of Commerce			<u>315,436</u>
Environmental Protection Agency			
<i>Office of Water</i>			
National Estuary Program	66.456		1,358,552
Passed through Oregon Department of Environmental Quality			
Nonpoint Source Implementation Grants	66.460	090-21	5,306
Nonpoint Source Implementation Grants	66.460	002-24	10,047
Nonpoint Source Implementation Grants	66.460	003-24	29,788
Nonpoint Source Implementation Grants	66.460	072-23	<u>27,619</u>
Total Environmental Protection Agency			<u>1,431,312</u>
Total Expenditures of Federal Awards			<u>\$ 1,794,340</u>

See notes to schedule of expenditures of federal awards.

TILLAMOOK ESTUARIES PARTNERSHIP
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of Tillamook Estuaries Partnership (the “Organization”) under programs of the federal government for the year ended September 30, 2024. The information in the Schedule is presented in accordance with the 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”). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

NOTE 2 – 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 to reimbursement.

NOTE 3 – INDIRECT COST RATE

The Organization has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

TILLAMOOK ESTUARIES PARTNERSHIP
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor’s Results

Financial Statements

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

Federal Awards

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

Identification of major federal programs:

<u>Federal Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
66.456	National Estuary Program
11.469	Congressionally Identified Awards and Projects

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

TILLAMOOK ESTUARIES PARTNERSHIP

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section II – Financial Statement Findings

2024-001

Criteria – The Organization is responsible for establishing and maintaining internal controls over financial reporting to prevent, or detect and correct, material misstatements in the financial statements.

Condition – The Organization’s internal controls did not prevent, or detect and correct, material misstatements in the financial statements, resulting in an overstatement of the undeposited funds account and an understatement in the accounts payable account as of year-end.

Cause – The Organization did not properly record cash payments received which caused the undeposited funds account to be misstated at year-end. In addition, the Organization did not accrue expenses applicable to the fiscal year under audit as required by U.S. GAAP.

Effect – Material errors were not prevented, or detected and corrected on a timely basis.

Recommendation – We recommend the Organization perform a thorough secondary review of balance sheet accounts to ensure that balances are fairly stated at year-end.

Views of responsible officials – The Organization agrees with the finding and will develop an action plan that includes increased review to ensure all transactions are recorded accurately.

Section III – Federal Award Findings and Questioned Costs

None