

**NESKOWIN REGIONAL WATER
DISTRICT
Neskowin, Oregon**

ANNUAL FINANCIAL REPORT

June 30, 2021

**NESKOWIN REGIONAL WATER DISTRICT
Neskowin, Oregon**

DISTRICT OFFICIALS

June 30, 2021

BOARD OF COMMISSIONERS

Steve Rubert, President
P.O. Box 1014
Neskowin, Oregon 97149

Alan Gits, Treasurer
P.O. Box 433
Neskowin, Oregon 97149

Gary Dunn, Secretary
P.O. Box 747
Neskowin, Oregon 97149

Frank DeMars
44705 Oceanview Court
Neskowin, Oregon 97149

John Metschan
5975 Pacific Overlook Drive
Neskowin, Oregon 97149

GENERAL MANAGER

Troy Trute
P.O. Box 823
Neskowin, Oregon 97149

NESKOWIN REGIONAL WATER DISTRICT
Neskowin, Oregon

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FINANCIAL SECTION


KOONTZ, BLASQUEZ
ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Neskowin Regional Water District
Neskowin, Oregon 97149

Report on the Basic Financial Statements

We have audited the accompanying modified cash basis financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of Neskowin Regional Water District, Neskowin, Oregon, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Neskowin Regional Water District's management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note I-C; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the business-type activities, each major fund, and the aggregate remaining fund information of Neskowin Regional Water District, Neskowin, Oregon as of June 30, 2021, and the respective changes in modified cash basis financial position and, where applicable, cash flows thereof for the year then ended on the basis of accounting described in Note I-C.

Basis of Accounting

We draw attention to Note I-C of the financial statements, which describes the basis of accounting. The financial statements are prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Neskowin Regional Water District's basic financial statements. The management's discussion and analysis, schedule of contributions, combining statements, budgetary comparison information, detailed schedule of revenues, expenses, and changes in fund net position for the General Fund, and schedule of property tax transactions are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statements and budgetary comparison information presented on pages 34 through 41 are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such 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 combining statements and budgetary comparison information are fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note I-C.

The management's discussion and analysis, schedule of contributions, detailed schedule of revenues, expenses, and changes in fund net position for the General Fund, and schedule of property tax transactions on pages 4 through 9, 33, 42 through 43, and 44, respectively, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Report on Other Legal and Regulatory Requirements

In accordance with the Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 14, 2021 on our consideration of 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.

Koontz, Blasquez & Associates, P.C.

By: 
Debra L. Blasquez, CPA

Albany, Oregon
December 14, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

NESKOWIN REGIONAL WATER DISTRICT

Neskowin, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

INTRODUCTION

As management of Neskowin Regional Water District, Neskowin, Oregon, we offer readers this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2021, within the limitations of the District's modified cash basis of accounting. It should be read in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- At June 30, 2021, total net position of Neskowin Regional Water District amounted to \$3,052,602. Of this amount, \$2,634,969 was invested in capital assets, net of related debt. The remaining balance included \$207,220 restricted for various purposes and \$210,413 of unrestricted net position.
- The District's total net position increased by \$31,341 during the current fiscal year.
- Overall revenues were \$768,380, which exceeded total expenses of \$737,039 by \$31,341.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Neskowin Regional Water District's basic financial statements. The District's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Basis of Accounting

The District has elected to present its financial statements on the modified cash basis of accounting. This modified cash basis of accounting is a basis of accounting other than accounting principles generally accepted in the United States of America. Basis of accounting is a reference to when financial events are recorded, such as the timing for recognizing revenues, expenses, and their related assets and liabilities. Under the District's modified cash basis of accounting, revenues and expenses and related assets and liabilities are recorded when they result from cash transactions.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenues for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the modified cash basis of accounting.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business.

NESKOWIN REGIONAL WATER DISTRICT
Neskowin, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

The statement of net position presents information on all of the District's assets and liabilities resulting from the use of the modified cash basis of accounting, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the cash flow related to the underlying event is received or expended.

The government-wide financial statements can be found on pages 10 through 11 of this report.

Fund Financial Statements

The fund financial statements are designed to demonstrate compliance with finance-related legal requirements overseeing the use of fund accounting. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives. All of the funds of Neskowin Regional Water District are proprietary funds.

□ **Proprietary Funds**

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The District maintains five individual enterprise funds.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Information is presented separately in the proprietary funds statement of net position, the proprietary funds statement of revenues, expenses, and changes in fund net position, and the proprietary funds statement of cash flows for the General Fund, which is considered to be a major proprietary fund. The System Development Fund does not meet the quantitative criteria in Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus* as amended, for presentation as a major fund; however, management considers the fund to be particularly important to financial statement users and has therefore elected to present the System Development Fund as a major proprietary fund.

Data from the nonmajor proprietary funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor proprietary funds is provided in the form of combining statements elsewhere in this report.

Neskowin Regional Water District adopts an annual appropriated budget for all of its funds. A budgetary comparison statement has been provided for each fund individually to demonstrate compliance with their respective budgets.

The basic proprietary fund financial statements can be found on pages 12 through 15 of this report.

NESKOWIN REGIONAL WATER DISTRICT
Neskowin, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the financial data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 16 through 32 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information, which includes the schedule of contributions, combining statements, and budgetary comparison information for each fund. This supplementary information can be found on pages 33 through 41 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. At June 30, 2021, the District's assets exceeded liabilities by \$3,052,602.

A large portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, and equipment) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

District's Net Position – Modified Cash Basis

At the end of the current fiscal year, the District was able to report positive balances in all categories of net position. The District's net position increased by \$31,341 during the current fiscal year.

Condensed statement of net position information is shown on the following page.

NESKOWIN REGIONAL WATER DISTRICT
Neskowin, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Condensed Statement of Net Position - Modified Cash Basis

	Business-Type Activities	
	2021	2020
Assets		
Current assets	\$ 210,413	\$ 156,124
Restricted assets	207,220	134,131
Net capital assets	2,905,504	3,050,241
 Total assets	 3,323,137	 3,340,496
Liabilities		
Current liabilities	50,419	48,700
Noncurrent liabilities	220,116	270,535
 Total liabilities	 270,535	 319,235
Net position		
Net investment in capital assets	2,634,969	2,731,006
Restricted	207,220	134,131
Unrestricted	210,413	156,124
 Total net position	 \$ 3,052,602	 \$ 3,021,261

District's Changes in Net Position – Modified Cash Basis

The condensed statement of activities information shown on the following page explains changes in net position resulting from modified cash basis transactions.

NESKOWIN REGIONAL WATER DISTRICT
Neskowin, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Condensed Statement of Activities - Modified Cash Basis

	<u>Business-Type Activities</u>	
	<u>2021</u>	<u>2020</u>
Program revenues		
Charges for services	\$ 485,917	\$ 402,692
Capital grants and contributions	<u>76,761</u>	<u>43,227</u>
Total program revenues	<u>562,678</u>	<u>445,919</u>
General revenues		
Property taxes	194,662	193,575
Investment earnings	2,547	12,317
Miscellaneous	<u>8,493</u>	<u>20,022</u>
Total general revenues	<u>205,702</u>	<u>225,914</u>
Total revenues	768,380	671,833
Program expenses		
Water service charges	<u>737,039</u>	<u>742,939</u>
Change in net position	31,341	(71,106)
Net position - beginning of year	<u>3,021,261</u>	<u>3,092,367</u>
Net position - end of year	<u>\$ 3,052,602</u>	<u>\$ 3,021,261</u>

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Proprietary Funds

The District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

At the end of the current fiscal year, the District's major proprietary funds reported combined net position of \$2,853,140. This amount included \$2,634,969 invested in capital assets, net of related debt, and \$86,905 restricted for system development. The remaining amount of \$131,266 was unrestricted.

Significant Changes in Major Proprietary Fund Net Position

- General Fund: The 114.1% increase in unrestricted net position can be attributed to the Neskowin Regional Water District's rate increase passed as of July 1, 2020 and the District's expenses being slightly under budget for the year.
- System Development Fund: The 756.7% increase in amounts restricted for system development can be attributed to the District receiving seven SDC's at \$10,890 a piece, totaling \$76,230 and having no expenditures from the System Development Fund.

NESKOWIN REGIONAL WATER DISTRICT
Neskowin, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

BUDGETARY HIGHLIGHTS: GENERAL FUND

Significant variances between budgeted and actual amounts in the General Fund for the year ended June 30, 2021 include:

- Charges for services were budgeted for \$376,500. Actual revenues were \$485,917 (29.1% over budget) due to the rate increase passed by the Neskowin Regional Board of Commissioners as of July 1, 2020.
- Miscellaneous revenues were budgeted for \$2,500. Actual revenues were \$8,493 (239.7% over budget) due to more late fees being collected than anticipated by the District's budget.

CAPITAL ASSETS

The District's investment in capital assets for its business-type activities as of June 30, 2021 amounted to \$2,905,504, net of accumulated depreciation. This investment in capital assets includes buildings, water system, equipment, and office furniture. The total depreciation expense related to the District's investment in capital assets for its business-type activities during the current fiscal year was \$175,621.

Additional information on the District's capital assets can be found in Note III-B on pages 24 through 25 of this report.

DEBT ADMINISTRATION

At the end of the fiscal year, the District had total debt outstanding of \$270,535. This amount represents a loan payable to the Oregon Economic and Community Development Department. The District's total debt decreased by \$48,700 during the current fiscal year.

Additional information on the District's long-term debt can be found in Note III-D on pages 25 through 26 of this report.

KEY ECONOMIC FACTORS AND BUDGET INFORMATION FOR THE FUTURE

At the time these financial statements were prepared and audited, the District was aware of the following circumstance that could affect its future financial health:

- Healthcare premiums are expected to continue to increase in the coming years.

This factor was considered in preparing the District's budget for fiscal year 2021-2022.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be directed to the following address: Neskowin Regional Water District, P.O. Box 823, Neskowin, Oregon 97149.

BASIC FINANCIAL STATEMENTS

NESKOWIN REGIONAL WATER DISTRICT
Neskowin, Oregon

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

June 30, 2021

	Business-Type Activities
ASSETS	
Current assets	
Cash and cash equivalents	\$ 210,413
Restricted assets	
Cash and cash equivalents	207,220
Capital assets	
Capital assets, net of accumulated depreciation	2,905,504
Total assets	3,323,137
LIABILITIES	
Current liabilities	
Long-term debt, current portion	50,419
Noncurrent liabilities	
Long-term debt, less current portion	220,116
Total liabilities	270,535
NET POSITION	
Net investment in capital assets	2,634,969
Restricted	207,220
Unrestricted	210,413
Total net position	\$ 3,052,602

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

NESKOWIN REGIONAL WATER DISTRICT
Neskowin, Oregon

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the Year Ended June 30, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
Business-type activities	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Business-Type Activities</u>
Water service charges	\$ 737,039	\$ 485,917	\$ -	\$ (174,361)
General revenues				
Property taxes				194,662
Investment earnings				2,547
Miscellaneous				8,493
Total general revenues				205,702
Change in net position				31,341
Net position - beginning				3,021,261
Net position - ending				\$ 3,052,602

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

NESKOWIN REGIONAL WATER DISTRICT
Neskowin, Oregon

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

PROPRIETARY FUNDS

June 30, 2021

	Business-Type Activities - Enterprise Funds	
	General	System Development
ASSETS		
Current assets		
Cash and cash equivalents	\$ 131,266	\$ -
Restricted assets		
Cash and cash equivalents	-	86,905
Capital assets		
Capital assets, net of accumulated depreciation	2,905,504	-
Total assets	3,036,770	86,905
LIABILITIES		
Current liabilities		
Long-term debt, current portion	50,419	-
Noncurrent liabilities		
Long-term debt, less current portion	220,116	-
Total liabilities	270,535	-
NET POSITION		
Net investment in capital assets	2,634,969	-
Restricted for:		
System development	-	86,905
Debt service	-	-
Unrestricted	131,266	-
Total net position	\$ 2,766,235	\$ 86,905

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

<u>Business-Type Activities</u>	
<u>Nonmajor Enterprise Funds</u>	<u>Total Enterprise Funds</u>
\$ 79,147	\$ 210,413
120,315	207,220
<u>-</u>	<u>2,905,504</u>
<u>199,462</u>	<u>3,323,137</u>
-	50,419
<u>-</u>	<u>220,116</u>
<u>-</u>	<u>270,535</u>
-	2,634,969
-	86,905
120,315	120,315
<u>79,147</u>	<u>210,413</u>
<u>\$ 199,462</u>	<u>\$ 3,052,602</u>

NESKOWIN REGIONAL WATER DISTRICT
Neskowin, Oregon

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -
MODIFIED CASH BASIS

PROPRIETARY FUNDS

For the Year Ended June 30, 2021

	Business-Type Activities - Enterprise Funds	
	General	System Development
Operating revenues		
Charges for services	\$ 485,917	\$ -
Operating expenses		
Personnel services	397,477	-
Materials and services	128,347	-
Depreciation	175,621	-
Capital outlay	-	-
Total operating expenses	701,445	-
Operating income (loss)	(215,528)	-
Nonoperating revenues (expenses)		
Property taxes	113,152	-
System development charges	-	76,761
Investment earnings	226	-
Interest expense	-	-
Miscellaneous	8,493	-
Total nonoperating revenues (expenses)	121,871	76,761
Income (loss) before contributions and transfers	(93,657)	76,761
Contributed capital in	79,584	-
Contributed capital out	-	-
Transfers in	-	-
Transfers out	(12,000)	-
Change in net position	(26,073)	76,761
Total net position - beginning	2,792,308	10,144
Total net position - ending	\$ 2,766,235	\$ 86,905

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

Business-Type Activities	
Nonmajor Enterprise Funds	Total Enterprise Funds
\$ -	\$ 485,917
-	397,477
-	128,347
-	175,621
<u>24,325</u>	<u>24,325</u>
<u>24,325</u>	<u>725,770</u>
<u>(24,325)</u>	<u>(239,853)</u>
81,510	194,662
-	76,761
2,321	2,547
(11,269)	(11,269)
-	8,493
<u>72,562</u>	<u>271,194</u>
48,237	31,341
-	79,584
(79,584)	(79,584)
12,000	12,000
-	(12,000)
<u>(19,347)</u>	<u>31,341</u>
<u>218,809</u>	<u>3,021,261</u>
<u>\$ 199,462</u>	<u>\$ 3,052,602</u>

NESKOWIN REGIONAL WATER DISTRICT
Neskowin, Oregon

STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS

PROPRIETARY FUNDS

For the Year Ended June 30, 2021

	Business-Type Activities - Enterprise Funds	
	General	System Development
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 485,917	\$ -
Payments to employees	(397,477)	-
Payments to suppliers	(128,347)	-
	(39,907)	-
Net cash provided (used) by operating activities	(39,907)	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property tax revenue	113,152	-
System development charges	-	76,761
Miscellaneous nonoperating revenue	8,493	-
Transfer from other funds	-	-
Transfer to other funds	(12,000)	-
	109,645	76,761
Net cash provided (used) by noncapital financing activities	109,645	76,761
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Contributed capital in	79,584	-
Contributed capital out	-	-
Purchases of capital assets	(30,884)	-
Principal paid on capital debt	(48,700)	-
Interest paid on capital debt	-	-
	-	-
Net cash provided (used) by capital and related financing activities	-	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	226	-
	226	-
Net cash provided (used) by investing activities	226	-

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

<u>Business-Type Activities</u>	
<u>Nonmajor Enterprise Funds</u>	<u>Total Enterprise Funds</u>
\$ -	\$ 485,917
-	(397,477)
<u>(24,325)</u>	<u>(152,672)</u>
<u>(24,325)</u>	<u>(64,232)</u>
81,510	194,662
-	76,761
-	8,493
12,000	12,000
<u>-</u>	<u>(12,000)</u>
<u>93,510</u>	<u>279,916</u>
-	79,584
(79,584)	(79,584)
-	(30,884)
-	(48,700)
<u>(11,269)</u>	<u>(11,269)</u>
<u>(90,853)</u>	<u>(90,853)</u>
<u>2,321</u>	<u>2,547</u>
<u>2,321</u>	<u>2,547</u>

(Continued)

NESKOWIN REGIONAL WATER DISTRICT
Neskowin, Oregon

STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS

PROPRIETARY FUNDS

For the Year Ended June 30, 2021

(Continued)

	Business-Type Activities - Enterprise Funds	
	General	System Development
Net increase (decrease) in cash and cash equivalents	\$ 69,964	\$ 76,761
Cash and cash equivalents - beginning (including \$10,144 and \$123,987 for the System Development Fund and nonmajor enterprise funds, respectively, reported in restricted accounts)	61,302	10,144
Cash and cash equivalents - ending (including \$86,905 and \$120,315 for the System Development Fund and nonmajor enterprise funds, respectively, reported in restricted accounts)	\$ 131,266	\$ 86,905
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (215,528)	\$ -
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	175,621	-
Net cash provided (used) by operating activities	\$ (39,907)	\$ -

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

<u>Business-Type Activities</u>	
<u>Nonmajor Enterprise Funds</u>	<u>Total Enterprise Funds</u>
\$ (19,347)	\$ 127,378
<u>218,809</u>	<u>290,255</u>
<u>\$ 199,462</u>	<u>\$ 417,633</u>
\$ (24,325)	\$ (239,853)
<u>-</u>	<u>175,621</u>
<u>\$ (24,325)</u>	<u>\$ (64,232)</u>

NOTES TO BASIC FINANCIAL STATEMENTS

NESKOWIN REGIONAL WATER DISTRICT
Neskowin, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Neskowin Regional Water District have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Reporting Entity

Neskowin Regional Water District was established under the provisions of Oregon statutes to provide water distribution and service for the benefit of the population within the District, which is located within Tillamook County, Oregon. Control of the District is vested in its board of commissioners, who are elected to office by voters within the District.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) charges for goods and services provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

1. Measurement Focus

The government-wide financial statements are reported using the economic resources measurement focus within the limitations of the modified cash basis of accounting, as described below.

Proprietary fund financial statements are reported using the economic resources measurement focus and the modified cash basis of accounting. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, and cash flows.

NESKOWIN REGIONAL WATER DISTRICT
Neskowin, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

2. Basis of Accounting

In the government-wide financial statements and the fund financial statements, business-type activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net position, revenues, and expenses when they result from cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenues for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in the financial statements.

If the District utilized the basis of accounting recognized as generally accepted, the government-wide and fund financial statements would be presented on the accrual basis of accounting.

3. Financial Statement Presentation

The District reports the following major proprietary fund:

Enterprise Fund

General Fund – The General Fund is the District’s primary operating fund. It accounts for all financial resources of the District except for those required to be accounted for in another fund. The primary source of revenue is charges for services.

The following fund does not meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, and GASB Statement No. 37, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus* as amended, for presentation as a major fund; however, management considers the fund to be particularly important to financial statement users and has therefore elected to present the following fund as a major proprietary fund:

Enterprise Fund

System Development Fund – The System Development Fund is used to account for the development of the water system. The primary source of revenue is system development charges.

NESKOWIN REGIONAL WATER DISTRICT
Neskowin, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

3. Financial Statement Presentation (Continued)

Additionally, the District reports the following nonmajor proprietary funds:

Enterprise Funds

Capital Improvement Fund – The Capital Improvement Fund is used to account for the District's capital outlay expenses. The primary source of revenue is property taxes.

Debt Service Fund – The Debt Service Fund is used to account for the payment of long-term debt interest. The primary source of revenue is property taxes.

Truck and Equipment Fund – The Truck and Equipment Fund is used to reserve funds for replacement of trucks and equipment. The primary source of revenue is transfers from the General Fund.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of Neskowin Regional Water District's proprietary funds are charges for services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities, and Equity

1. Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

NESKOWIN REGIONAL WATER DISTRICT
Neskowin, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Equity (Continued)

1. Deposits and Investments (Continued)

State statutes authorize the District to invest in legally issued general obligations of the United States, the agencies and instrumentalities of the United States and the states of Oregon, Washington, Idaho, or California, certain interest-bearing bonds, time deposit open accounts, certificates of deposit, and savings accounts in banks, mutual savings banks, and savings and loan associations that maintain a head office or a branch in this state in the capacity of a bank, mutual savings bank, or savings and loan association, and share accounts and savings accounts in credit unions in the name of, or for the benefit of, a member of the credit union pursuant to a plan of deferred compensation.

2. Property Taxes

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic remittances of collection to entities levying taxes. Property taxes are levied and become a lien as of July 1 on property values assessed as of June 30. An allowance for doubtful accounts is not deemed necessary, as uncollectible taxes become a lien on the property. Property taxes are payable in three installments, which are due on November 15, February 15, and May 15.

3. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost where no historical records exist. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance or repairs that do not add to the value of an asset or materially extend its life are charged to expenses as incurred and are not capitalized.

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

Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Vehicles and equipment	5
Office equipment and furniture	5-7
Water system	10-50
Buildings	25-30

NESKOWIN REGIONAL WATER DISTRICT
Neskowin, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Equity (Continued)

4. Long-Term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Debt premiums and discounts are deferred and amortized over the lives of the obligations using the straight-line method. Long-term debt payable is reported net of the applicable debt premiums or discounts.

In the fund financial statements, the proprietary funds recognize premiums, discounts, and issuance costs during the current period. The face amounts of debt issued are reported as other financing sources. Premiums received on debt issuance are reported as other financing sources, while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

5. Retirement Plans

All of the District's employees participate in Oregon's Public Employees Retirement System (PERS). Contributions are made on a current basis as required by the plan and are recorded as expenses.

E. Use of Estimates

The preparation of financial statements in accordance with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may vary from those estimates.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The District budgets all funds in accordance with the requirements of state law. Annual appropriated budgets are adopted for the enterprise funds. All funds are budgeted on the cash basis of accounting.

NESKOWIN REGIONAL WATER DISTRICT
Neskowin, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

The District begins its budgeting process by appointing budget committee members. The budget officer prepares a budget, which is reviewed by the budget committee. The budget is then published in proposed form and is presented at public hearings to obtain taxpayer comments and approval from the budget committee. The budget is legally adopted by the board of commissioners by resolution prior to the beginning of the District's fiscal year. The board resolution authorizing appropriations for each fund sets the level by which expenses cannot legally exceed appropriations. Total personnel services, materials and services, debt service, capital outlay, and contingency for each fund are the levels of control established by the resolution. The detailed budget document, however, is required to contain more specific detailed information for the aforementioned expense categories and management may revise the detailed line-item budgets within appropriation categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution. Supplemental budgets less than 10% of a fund's original budget may be adopted by the board of commissioners at a regular board meeting. A supplemental budget greater than 10% of a fund's original budget requires hearings before the public, publication in newspapers, and approval by the board of commissioners. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by the board of commissioners. During the year, there were no supplemental budgets. The District does not use encumbrances and appropriations lapse at year-end.

Budget amounts shown in the financial statements reflect the original budget amounts.

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. Deposits and Investments

Neskowin Regional Water District maintains a cash and cash equivalents pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the fund financial statements as cash and cash equivalents. Interest earned on pooled cash and investments is allocated to participating funds based upon their combined cash and investment balances.

Investments, including amounts held in pooled cash and investments, are stated at fair value. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, investments with a remaining maturity of more than one year at the time of purchase are stated at fair value. Fair value is determined at the quoted market price, if available; otherwise, the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value.

NESKOWIN REGIONAL WATER DISTRICT
Neskowin, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

A. Deposits and Investments (Continued)

The Oregon State Treasury administers the LGIP. The LGIP is an open-ended, no-load, diversified portfolio offered to any agency, political subdivision, or public corporation of the state that by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. To provide regulatory oversight, the Oregon Legislature established the Oregon Short-Term Fund Board and LGIP investments are approved by the Oregon Investment Council. The fair value of the District's position in the LGIP is the same as the value of the pool shares.

Credit Risk

Oregon statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the Local Government Investment Pool. The District has not adopted an investment policy regarding credit risk; however, investments comply with state statutes.

Investments

As of June 30, 2021, the District had the following investments:

	Credit Quality Rating	Maturities	Fair Value
Oregon Local Government Investment Pool	Unrated	-	\$ 374,832

Interest Rate Risk

The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increases in interest rates.

Concentration of Credit Risk

The District does not have a formal policy that places a limit on the amount that may be invested in any one insurer. 100 percent of the District's investments are in the Oregon Local Government Investment Pool.

Custodial Credit Risk – Investments

This is the risk that, in the event of the failure of a counterparty, the District will not be able to recover the value of its investments that are in the possession of an outside party. The District does not have a policy that limits the amount of investments that can be held by counterparties.

NESKOWIN REGIONAL WATER DISTRICT
Neskowin, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

A. Deposits and Investments (Continued)

Custodial Credit Risk – Deposits

This is the risk that, in the event of a bank failure, the District’s deposits may not be returned. All District deposits not covered by Federal Depository Insurance Corporation (FDIC) insurance are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon, organized in accordance with ORS 295. The PFCP is a shared liability structure for participating bank depositories. Barring any exceptions, a bank depository is required to pledge collateral valued at a minimum of 10% of their quarter-end public fund deposits if they are considered well capitalized, 25% of their quarter-end public fund deposits if they are considered adequately capitalized, or 110% of their quarter-end public fund deposits if they are considered undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities.

The District holds an account at US Bank, for which the FDIC provides insurance coverage of \$250,000 for demand deposit accounts and an additional \$250,000 for time and savings accounts. At June 30, 2021, the District’s total deposits of \$48,332 were fully insured by the FDIC.

Deposits

The District’s deposits and investments at June 30, 2021 are as follows:

Checking accounts	\$ 42,801
Total investments	<u>374,832</u>
 Total deposits and investments	 <u>\$ 417,633</u>

Cash and investments by fund:

Business-type activities - unrestricted	
General Fund	\$ 131,266
Nonmajor proprietary funds	<u>79,147</u>
 Total business-type activities - unrestricted	 <u>210,413</u>
Business-type activities - restricted	
System Development Fund	86,905
Nonmajor proprietary funds	<u>120,315</u>
 Total business-type activities - restricted	 <u>207,220</u>
 Total cash and investments	 <u>\$ 417,633</u>

NESKOWIN REGIONAL WATER DISTRICT
Neskowin, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

A. Deposits and Investments (Continued)

Restricted cash is for future payments of debt principal and interest, as well as future system development improvements.

B. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets being depreciated				
Buildings	\$ 1,293,224	\$ -	\$ -	\$ 1,293,224
Water system	4,729,245	-	-	4,729,245
Equipment	184,936	30,884	-	215,820
Office furniture	5,339	-	-	5,339
Total capital assets being depreciated	6,212,744	30,884	-	6,243,628
Less accumulated depreciation for				
Buildings	(642,164)	(43,784)	-	(685,948)
Water system	(2,417,302)	(111,330)	-	(2,528,632)
Equipment	(97,698)	(20,507)	-	(118,205)
Office furniture	(5,339)	-	-	(5,339)
Total accumulated depreciation	(3,162,503)	(175,621)	-	(3,338,124)
Business-type activities capital assets, net	\$ 3,050,241	\$ (144,737)	\$ -	\$ 2,905,504

Capital assets are reported on the statement of net position as follows:

	Capital Assets	Accumulated Depreciation	Net Capital Assets
Business-type activities			
Buildings	\$ 1,293,224	\$ (685,948)	\$ 607,276
Water system	4,729,245	(2,528,632)	2,200,613
Equipment	215,820	(118,205)	97,615
Office furniture	5,339	(5,339)	-
Total capital assets	\$ 6,243,628	\$ (3,338,124)	\$ 2,905,504

NESKOWIN REGIONAL WATER DISTRICT
Neskowin, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

B. Capital Assets (Continued)

Depreciation expense was charged to the functions/programs of the District as follows:

Business-type activities	
Water service charges	<u>\$ 175,621</u>

C. Operating Lease

The District leases office space, sharing half of the lease with Neskowin Regional Sanitary Authority. The lease was renewed for four years beginning August 15, 2017 and contains an annual rent increase of 2%. Total lease expense for the year ended June 30, 2021 was \$8,482.

Future minimum payments for the lease is as follows:

<u>Year Ending June 30</u>	
2022	<u>\$ 708</u>

D. Long-Term Liabilities

1. Changes in Long-Term Debt

The following is a summary of long-term debt transactions for the year:

	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type activities							
Water Treatment Plant Loan	3.53%	<u>\$ 850,000</u>	<u>\$ 319,235</u>	<u>\$ -</u>	<u>\$ 48,700</u>	<u>\$ 270,535</u>	<u>\$ 50,419</u>

2. Water Treatment Plant Loan

On October 14, 2014, the District entered into a loan agreement with the Oregon Economic and Community Development Department, the proceeds of which were used for the modernization of the District's Frank E Clanton Municipal Water Plant. Interest on the loan is fixed at 3.53%. Principal and interest payments are due annually on December 1. The General and Debt Service Funds have traditionally been used to liquidate long-term debt related to the loan.

NESKOWIN REGIONAL WATER DISTRICT
Neskowin, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

D. Long-Term Liabilities (Continued)

3. Future Maturities of Long-Term Liabilities

<u>Year Ending June 30</u>	<u>Loan</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 50,419	\$ 9,550	\$ 59,969
2023	52,199	7,770	59,969
2024	54,042	5,927	59,969
2025	55,950	4,020	59,970
2026	57,925	2,045	59,970
	<u>\$ 270,535</u>	<u>\$ 29,312</u>	<u>\$ 299,847</u>

E. Interfund Transfers

Operating transfers are reflected as other financing sources (uses) in the proprietary funds. Interfund transfers during the year consisted of:

	<u>Transfers in:</u>
	Nonmajor
	Proprietary
	Funds
Transfers out:	
General Fund	<u>\$ 12,000</u>

The primary purpose of the interfund transfers in was to provide funds for purchasing equipment.

IV. OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. There was no significant reduction in insurance coverage from the previous year. There were no insurance settlements exceeding insurance coverage in any of the past three years.

NESKOWIN REGIONAL WATER DISTRICT
Neskowin, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

IV. OTHER INFORMATION (Continued)

B. Pension Plan

1. Plan Description

Employees of the District are provided with pensions through the Oregon Public Employees Retirement System (OPERS), a cost-sharing, multiple-employer, defined benefit pension plan. The Oregon Legislature has delegated authority to the Public Employees Retirement System Board to administer and manage the system. All benefits of the system are established by the legislature, pursuant to Oregon Revised Statutes (ORS) Chapters 238 and 238A. Tier One/Tier Two Retirement Benefit plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003. The Pension Program, established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003. OPERS issues a publicly available comprehensive annual financial report and actuarial valuation, both of which can be obtained at: <http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>.

2. Benefits Provided

a. Tier One/Tier Two Retirement Benefits (ORS Chapter 238)

Pension Benefits

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options that are actuarially equivalent to the base benefit. These options include survivorship benefits and lump-sum refunds. The base benefit is based on years of service and final average salary. A percentage (1.67% for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results. Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2020.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. General service employees may retire after reaching age 55. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Pension Plan is closed to new members hired on or after August 29, 2003.

NESKOWIN REGIONAL WATER DISTRICT
Neskowin, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

IV. OTHER INFORMATION (Continued)

B. Pension Plan (Continued)

2. Benefits Provided (Continued)

a. Tier One/Tier Two Retirement Benefits (ORS Chapter 238) (Continued)

Death Benefits

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- the member was employed by a PERS employer at the time of death,
- the member died within 120 days after termination of PERS-covered employment,
- the member died as a result of injury sustained while employed in a PERS-covered job, or
- the member was on an official leave of absence from a PERS-covered job at the time of death.

Disability Benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 when determining the monthly benefit.

Benefit Changes after Retirement

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the fair value of underlying global equity investments of that account. Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living adjustments (COLA). The COLA is capped at 2.0%.

NESKOWIN REGIONAL WATER DISTRICT
Neskowin, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

IV. OTHER INFORMATION (Continued)

B. Pension Plan (Continued)

2. Benefits Provided (Continued)

b. Oregon Public Service Retirement Plan (OPSRP) Pension Program (Defined Benefit)

Pension Benefits

The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

General service: 1.5% is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2020.

A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, or, if the pension program is terminated, the date on which termination becomes effective.

Death Benefits

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50% of the pension that would otherwise have been paid to the deceased member.

Disability Benefits

A member who has accrued 10 or more years of retirement credit before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45% of the member's salary determined as of the last full month of employment before the disability occurred.

NESKOWIN REGIONAL WATER DISTRICT
Neskowin, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

IV. OTHER INFORMATION (Continued)

B. Pension Plan (Continued)

2. Benefits Provided (Continued)

c. OPSRP Individual Account Program (IAP)

Benefit Terms

The IAP is an individual account-based program under the OPERS tax-qualified governmental plan as defined under ORS 238A.400. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, or 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution stipulation.

Death Benefits

Upon the death of a non-retired member, the beneficiary receives, in a lump sum, the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Recordkeeping

OPERS contracts with Voya Financial to maintain IAP participant records.

NESKOWIN REGIONAL WATER DISTRICT
Neskowin, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

IV. OTHER INFORMATION (Continued)

B. Pension Plan (Continued)

3. Contributions

PERS' funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation, which became effective July 1, 2019. Effective January 1, 2020, Senate Bill 1049 required employers to pay contributions on reemployed PERS retirees' salaries as if they were active members, excluding IAP contributions. Employer contributions for the year ended June 30, 2021 were \$43,377, excluding amounts to fund employer-specific liabilities. The rates in effect for the fiscal year ended June 30, 2021 were 25.99% for Tier One/Tier Two general service members, 18.50% for OPSRP Pension Program general service members, and 6% for OPSRP IAP.

C. Tax Abatements

The District did not have tax abatements for the year ended June 30, 2021.

D. Contingency

Neskowin Regional Water District's operations may be affected by the recent and ongoing outbreak of the Coronavirus Disease 2019 (COVID-19), which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption that may be caused by the outbreak is uncertain; however, it may result in a material impact on the District's financial position, operations, and cash flows. Possible effects may include, but are not limited to, disruption of the District's revenue, absenteeism in the District's labor workforce, and the unavailability of products and supplies used in operations.

E. New Pronouncements

The Governmental Accounting Standards Board (GASB) has issued the following pronouncements that have future effective dates that will impact future financial presentations. Management has not currently determined what impact implementation of the following statements will have on future financial statements.

GASB Statement No. 87, *Leases*, will be effective for the District beginning with its fiscal year ending June 30, 2022. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting of leases by governments.

NESKOWIN REGIONAL WATER DISTRICT
Neskowin, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

IV. OTHER INFORMATION (Continued)

E. New Pronouncements (Continued)

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, will be effective for the District beginning with its fiscal year ending June 30, 2022. The objective of this statement is to simplify accounting for interest cost incurred before the end of a construction period, and enhance the relevance and comparability of capital asset information.

GASB Statement No. 92, *Omnibus 2020*, will be effective for the District beginning with its fiscal year ending June 30, 2022. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation of certain GASB statements.

GASB Statement No. 91, *Conduit Debt Obligations*, is effective for the District beginning with its fiscal year ending June 30, 2023. The objective of this statement clarifies the definition of a conduit debt obligation and improves required note disclosures.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, will be effective for the District beginning with its fiscal year ending June 30, 2023. The requirements of this statement will improve financial reporting by establishing the definitions of public-private and public-public arrangements (PPPs) and availability payment arrangements (APAs) and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, will be effective for the District beginning with its fiscal year ending June 30, 2023. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments.

F. Subsequent Events

Management has evaluated subsequent events through December 14, 2021, which was the date that the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

NESKOWIN REGIONAL WATER DISTRICT
Neskowin, Oregon

SCHEDULE OF CONTRIBUTIONS

<u>Pension Plan</u>			(b)			(c)	(b/c)
Year Ended June 30	(a)		Contributions in relation to the statutorily required contribution	(a-b)		District's covered payroll	Contributions as a percent of covered payroll
	Statutorily required contribution			Contribution deficiency (excess)			
2021	\$ 43,377	\$	43,377	-	\$	242,680	17.87%
2020	41,270		41,270	-		229,560	17.98%
2019	28,899		28,899	-		206,620	13.99%
2018	26,994		26,994	-		168,858	15.99%
2017	25,733		25,733	-		190,808	13.49%
2016	19,321		19,321	-		180,580	10.70%
2015	23,675		23,675	-		202,986	11.66%
2014	20,864		20,864	-		193,083	10.81%

Changes in Benefit Terms

The Oregon Supreme Court decision in *Moro v. State of Oregon* issued on April 30, 2015 reversed a significant portion of the reductions that the 2013 Oregon Legislature made to future COLA through Senate Bills 822 and 861. This reversal increased the proportionate share of the net pension liability (asset) as of June 30, 2015 as compared to June 30, 2014.

Senate Bill 1049, signed into law in June 2019, introduced a limit on the amount of annual salary included for the calculation of benefits. Beginning in 2020, annual salary in excess of \$195,000 (as indexed in future years) will be excluded when determining member benefits. As a result, future benefits for certain active members are projected to be lower than prior to the legislation.

Changes in Assumptions

The Public Employees Retirement System Board adopted assumption changes that were used to measure the June 30, 2016 total pension liability and June 30, 2018 total pension liability. For June 30, 2016, the changes included the lowering of the long-term expected rate of return to 7.50% and the lowering of the assumed inflation to 2.50%. For June 30, 2018, the long-term expected rate of return was lowered to 7.20%. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave, and vacation pay.

*This schedule is intended to show information for 10 years; additional years' information will be displayed as it becomes available.

NESKOWIN REGIONAL WATER DISTRICT
Neskowin, Oregon

COMBINING STATEMENT OF NET POSITION - MODIFIED CASH BASIS

NONMAJOR PROPRIETARY FUNDS

June 30, 2021

	Enterprise Funds			Total Nonmajor Enterprise Funds
	Capital Improvement	Debt Service	Truck and Equipment	
ASSETS				
Current assets				
Cash and cash equivalents	\$ 52,545	\$ -	\$ 26,602	\$ 79,147
Restricted assets				
Cash and cash equivalents	-	120,315	-	120,315
Total assets	<u>52,545</u>	<u>120,315</u>	<u>26,602</u>	<u>199,462</u>
LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
Restricted for debt service	-	120,315	-	120,315
Unrestricted	<u>52,545</u>	<u>-</u>	<u>26,602</u>	<u>79,147</u>
Total net position	<u>\$ 52,545</u>	<u>\$ 120,315</u>	<u>\$ 26,602</u>	<u>\$ 199,462</u>

NESKOWIN REGIONAL WATER DISTRICT
Neskowin, Oregon

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
 FUND NET POSITION - MODIFIED CASH BASIS

NONMAJOR PROPRIETARY FUNDS

For the Year Ended June 30, 2021

	Enterprise Funds			Total Nonmajor Enterprise Funds
	Capital Improvement	Debt Service	Truck and Equipment	
Operating revenues	\$ -	\$ -	\$ -	\$ -
Operating expenses				
Capital outlay	<u>20,290</u>	<u>-</u>	<u>4,035</u>	<u>24,325</u>
Operating income (loss)	<u>(20,290)</u>	<u>-</u>	<u>(4,035)</u>	<u>(24,325)</u>
Nonoperating revenues (expenses)				
Property taxes	25,213	56,297	-	81,510
Investment earnings	2,321	-	-	2,321
Interest expense	<u>-</u>	<u>(11,269)</u>	<u>-</u>	<u>(11,269)</u>
Total nonoperating revenues (expenses)	<u>27,534</u>	<u>45,028</u>	<u>-</u>	<u>72,562</u>
Income (loss) before contributions and transfers	7,244	45,028	(4,035)	48,237
Contributed capital out	-	(48,700)	(30,884)	(79,584)
Transfers in	<u>-</u>	<u>-</u>	<u>12,000</u>	<u>12,000</u>
Change in net position	7,244	(3,672)	(22,919)	(19,347)
Total net position - beginning	<u>45,301</u>	<u>123,987</u>	<u>49,521</u>	<u>218,809</u>
Total net position - ending	<u>\$ 52,545</u>	<u>\$ 120,315</u>	<u>\$ 26,602</u>	<u>\$ 199,462</u>

NESKOWIN REGIONAL WATER DISTRICT
Neskowin, Oregon

COMBINING STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS

NONMAJOR PROPRIETARY FUNDS

For the Year Ended June 30, 2021

	Enterprise Funds			Total Nonmajor Enterprise Funds
	Capital Improvement	Debt Service	Truck and Equipment	
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments to suppliers	\$ (20,290)	\$ -	\$ (4,035)	\$ (24,325)
Net cash provided (used) by operating activities	<u>(20,290)</u>	<u>-</u>	<u>(4,035)</u>	<u>(24,325)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Property tax revenue	25,213	56,297	-	81,510
Transfer from other funds	<u>-</u>	<u>-</u>	<u>12,000</u>	<u>12,000</u>
Net cash provided (used) by noncapital financing activities	<u>25,213</u>	<u>56,297</u>	<u>12,000</u>	<u>93,510</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Contributed capital out	-	(48,700)	(30,884)	(79,584)
Interest paid on capital debt	<u>-</u>	<u>(11,269)</u>	<u>-</u>	<u>(11,269)</u>
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(59,969)</u>	<u>(30,884)</u>	<u>(90,853)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	<u>2,321</u>	<u>-</u>	<u>-</u>	<u>2,321</u>
Net cash provided (used) by investing activities	<u>2,321</u>	<u>-</u>	<u>-</u>	<u>2,321</u>
Net increase (decrease) in cash and cash equivalents	7,244	(3,672)	(22,919)	(19,347)
Cash and cash equivalents - beginning (including \$123,987 for the Debt Service Fund reported in restricted accounts)	<u>45,301</u>	<u>123,987</u>	<u>49,521</u>	<u>218,809</u>
Cash and cash equivalents - ending (including \$120,315 for the Debt Service Fund reported in restricted accounts)	<u>\$ 52,545</u>	<u>\$ 120,315</u>	<u>\$ 26,602</u>	<u>\$ 199,462</u>

NESKOWIN REGIONAL WATER DISTRICT
Neskowin, Oregon

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -
BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended June 30, 2021

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual		
			Budget Basis	Adjustments	Modified Cash Basis
REVENUES					
Property taxes	\$ 111,864	\$ 1,288	\$ 113,152	\$ -	\$ 113,152
Charges for services	376,500	109,417	485,917	-	485,917
Investment earnings	-	226	226	-	226
Miscellaneous	<u>2,500</u>	<u>5,993</u>	<u>8,493</u>	<u>-</u>	<u>8,493</u>
Total revenues	<u>490,864</u>	<u>116,924</u>	<u>607,788</u>	<u>-</u>	<u>607,788</u>
EXPENSES					
Current					
Personnel services	407,964	(10,487)	397,477	-	397,477
Materials and services	136,900	(8,553)	128,347	-	128,347
Depreciation	<u>-</u>	<u>-</u>	<u>-</u>	<u>175,621</u>	<u>175,621</u>
Total expenses	<u>544,864</u>	<u>(19,040)</u>	<u>525,824</u>	<u>175,621</u>	<u>701,445</u>
Excess (deficiency) of revenues over (under) expenses	<u>(54,000)</u>	<u>135,964</u>	<u>81,964</u>	<u>(175,621)</u>	<u>(93,657)</u>
OTHER FINANCING SOURCES (USES)					
Contributed capital in	-	-	-	79,584	79,584
Transfers out	<u>(12,000)</u>	<u>-</u>	<u>(12,000)</u>	<u>-</u>	<u>(12,000)</u>
Total other financing sources (uses)	<u>(12,000)</u>	<u>-</u>	<u>(12,000)</u>	<u>79,584</u>	<u>67,584</u>
Change in net position	(66,000)	135,964	69,964	(96,037)	(26,073)
Net position - beginning	<u>66,000</u>	<u>(4,698)</u>	<u>61,302</u>	<u>2,731,006</u>	<u>2,792,308</u>
Net position - ending	<u>\$ -</u>	<u>\$ 131,266</u>	<u>131,266</u>	<u>\$ 2,634,969</u>	<u>\$ 2,766,235</u>

NESKOWIN REGIONAL WATER DISTRICT
Neskowin, Oregon

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -
 BUDGET AND ACTUAL

SYSTEM DEVELOPMENT FUND

For the Year Ended June 30, 2021

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual		
			Budget Basis	Adjusted Cash Basis	
REVENUES					
System development charges	\$ 21,780	\$ 54,981	\$ 76,761	\$ -	\$ 76,761
EXPENSES					
Capital outlay	<u>32,670</u>	<u>(32,670)</u>	-	-	-
Excess (deficiency) of revenues over (under) expenses	(10,890)	87,651	76,761	-	76,761
Net position - beginning	<u>10,890</u>	<u>(746)</u>	<u>10,144</u>	-	<u>10,144</u>
Net position - ending	<u>\$ -</u>	<u>\$ 86,905</u>	<u>\$ 86,905</u>	<u>\$ -</u>	<u>\$ 86,905</u>

NESKOWIN REGIONAL WATER DISTRICT
Neskowin, Oregon

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -
 BUDGET AND ACTUAL

CAPITAL IMPROVEMENT FUND

For the Year Ended June 30, 2021

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual	
			Budget Basis	Adjusted
REVENUES				
Property taxes	\$ 24,848	\$ 365	\$ 25,213	\$ -
Investment earnings	4,000	(1,679)	2,321	-
Grants	<u>30,000</u>	<u>(30,000)</u>	<u>-</u>	<u>-</u>
Total revenues	<u>58,848</u>	<u>(31,314)</u>	<u>27,534</u>	<u>-</u>
EXPENSES				
Current				
Materials and services	30,000	(30,000)	-	-
Capital outlay	<u>76,290</u>	<u>(56,000)</u>	<u>20,290</u>	<u>-</u>
Total expenses	<u>106,290</u>	<u>(86,000)</u>	<u>20,290</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenses	(47,442)	54,686	7,244	-
Net position - beginning	<u>47,442</u>	<u>(2,141)</u>	<u>45,301</u>	<u>-</u>
Net position - ending	<u>\$ -</u>	<u>\$ 52,545</u>	<u>\$ 52,545</u>	<u>\$ -</u>

NESKOWIN REGIONAL WATER DISTRICT
Neskowin, Oregon

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -
 BUDGET AND ACTUAL

DEBT SERVICE FUND

For the Year Ended June 30, 2021

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual	
			Budget Basis	Adjusted Cash Basis
REVENUES				
Property taxes	\$ 55,950	\$ 347	\$ 56,297	\$ 56,297
EXPENSES				
Debt service	59,969	-	59,969	11,269
Excess (deficiency) of revenues over (under) expenses	(4,019)	347	(3,672)	45,028
OTHER FINANCING SOURCES (USES)				
Contributed capital out	-	-	-	(48,700)
Change in net position	(4,019)	347	(3,672)	(3,672)
Net position - beginning	123,957	30	123,987	123,987
Net position - ending	<u>\$ 119,938</u>	<u>\$ 377</u>	<u>\$ 120,315</u>	<u>\$ 120,315</u>

NESKOWIN REGIONAL WATER DISTRICT
Neskowin, Oregon

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -
BUDGET AND ACTUAL

TRUCK AND EQUIPMENT FUND

For the Year Ended June 30, 2021

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual	
			Budget Basis	Adjusted Cash Basis
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENSES				
Capital outlay	<u>59,521</u>	<u>(24,602)</u>	<u>34,919</u>	<u>(30,884)</u>
Excess (deficiency) of revenues over (under) expenses	<u>(59,521)</u>	<u>24,602</u>	<u>(34,919)</u>	<u>30,884</u>
OTHER FINANCING SOURCES (USES)				
Contributed capital out	-	-	-	(30,884)
Transfers in	<u>12,000</u>	<u>-</u>	<u>12,000</u>	<u>-</u>
Total other financing sources (uses)	<u>12,000</u>	<u>-</u>	<u>12,000</u>	<u>(30,884)</u>
Change in net position	(47,521)	24,602	(22,919)	-
Net position - beginning	<u>47,521</u>	<u>2,000</u>	<u>49,521</u>	<u>-</u>
Net position - ending	<u>\$ -</u>	<u>\$ 26,602</u>	<u>\$ 26,602</u>	<u>\$ -</u>

OTHER FINANCIAL SCHEDULES

NESKOWIN REGIONAL WATER DISTRICT
Neskowin, Oregon

DETAILED SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET
POSITION - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended June 30, 2021

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual Budget Basis
CASH RECEIPTS			
Water revenue	\$ 375,000	\$ 109,175	\$ 484,175
Property taxes current	110,114	845	110,959
Property taxes prior	1,750	443	2,193
Interest	-	226	226
Miscellaneous	2,500	5,993	8,493
Service installation	1,500	242	1,742
Total cash receipts	490,864	116,924	607,788
CASH EXPENSES			
Schedule - page 43	544,864	(19,040)	525,824
Excess (deficiency) of revenues over (under) expenses	(54,000)	135,964	81,964
OTHER FINANCING SOURCES (USES)			
Transfers out	(12,000)	-	(12,000)
Change in net position	(66,000)	135,964	69,964
Net position - beginning	66,000	(4,698)	61,302
Net position - ending	\$ -	\$ 131,266	\$ 131,266

NESKOWIN REGIONAL WATER DISTRICT
Neskowin, Oregon

DETAILED SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET
POSITION - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended June 30, 2021

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual Budget Basis
Personnel services			
General manager	\$ 99,686	\$ (1,495)	\$ 98,191
Office manager	40,228	(192)	40,036
Contractor	2,500	(2,116)	384
Operator 1 Step E	63,278	(5,101)	58,177
Maintenance worker 2	39,552	(1,591)	37,961
Comp/vacation time payoff	8,000	-	8,000
Unemployment	280	(110)	170
Social security/Medicare	19,220	(2,720)	16,500
Workers comp/accident insurance	3,911	493	4,404
PERS	45,038	(1,393)	43,645
Health insurance	86,271	3,738	90,009
Total personnel services	407,964	(10,487)	397,477
Materials and services			
Office supplies and expenses	8,500	974	9,474
Telephone	6,000	(1,081)	4,919
Office rent	8,700	(210)	8,490
Insurance and bond	18,000	2,029	20,029
Legal and auditing	7,500	77	7,577
Memberships	3,000	1,777	4,777
Refunds	300	479	779
Bank charges	2,000	(129)	1,871
Vehicle maintenance	10,000	(4,641)	5,359
Miscellaneous	1,000	(601)	399
Repair and maintenance	45,000	(1,854)	43,146
Workshops and seminars	3,000	(3,000)	-
Plant supplies and tools	5,000	(1,254)	3,746
Chlorine and chemicals	3,000	(546)	2,454
Electricity	12,000	(439)	11,561
Water testing	3,000	(134)	2,866
Waste water charges	900	-	900
Total materials and services	136,900	(8,553)	128,347
Total cash expenses	544,864	(19,040)	525,824

NESKOWIN REGIONAL WATER DISTRICT
Neskowin, Oregon

SCHEDULE OF PROPERTY TAX TRANSACTIONS

For the Year Ended June 30, 2021

Tax Year	Taxes Receivable July 1, 2020	2020-2021 Levy	Adjustments	Collections	Taxes Receivable June 30, 2021
2020-2021	\$ -	\$ 196,858	\$ (5,162)	\$ 187,850	\$ 3,846
2019-2020	4,769	-	(107)	2,711	1,951
2018-2019	2,436	-	(76)	1,294	1,066
2017-2018	1,235	-	(1)	834	400
2016-2017	495	-	(1)	323	171
2015-2016	182	-	(1)	58	123
2014-2015	57	-	(1)	15	41
Prior	1,513	-	(33)	1,048	432
Subtotal - Prior	10,687	-	(220)	6,283	4,184
Total	\$ 10,687	\$ 196,858	\$ (5,382)	194,133	\$ 8,030
Add:					
Other taxes and interest				529	
Undistributed taxes with county, July 1, 2020				-	
Total available				194,662	
Less: Turnovers to District					
				(194,662)	
Undistributed taxes with county, June 30, 2021				\$ -	

The above schedule of property tax transactions is a supplementary schedule required by Oregon law; however, because Neskowin Regional Water District reports information on the modified cash basis of accounting, no accrual of property taxes receivable has been recorded in the financial statements. See independent auditor's report.

**AUDIT COMMENTS AND DISCLOSURES REQUIRED BY
STATE REGULATIONS**

KOONTZ, BLASQUEZ
ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS**

Board of Commissioners
Neskowin Regional Water District
Neskowin, Oregon 97149

We have audited the basic financial statements of Neskowin Regional Water District as of and for the year ended June 30, 2021, and have issued our report thereon dated December 14, 2021. 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 Neskowin Regional Water District'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 162-010-0000 through 162-010-0320 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 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.

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:

Accounting records

Deposit of public funds with financial institutions (ORS Chapter 295)

Indebtedness limitations, restrictions, and repayment

Budgets legally required (ORS Chapter 294)

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)

Accountability for collecting or receiving money by elected officials

In connection with our testing, nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, contracts, and grants, including the provisions of Oregon Revised Statutes, as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations.


The District does not have any elected officials collecting or receiving money.

OAR 162-010-0230 Internal Control

In planning and performing our audit, we considered Neskowin Regional Water District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Neskowin Regional Water District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Neskowin Regional Water District's internal control over financial reporting. However, we noted certain matters that we have reported to management of the District in a separate letter dated December 14, 2021.

This report is intended solely for the information and use of the board of commissioners and management of Neskowin Regional Water District and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

Koontz, Blasquez & Associates, P.C.

By: 
Debra L. Blasquez, CPA

Albany, Oregon
December 14, 2021