

**NESKOWIN REGIONAL WATER  
DISTRICT**  
Neskowin, Oregon

ANNUAL FINANCIAL REPORT

June 30, 2024

**NESKOWIN REGIONAL WATER DISTRICT**  
**Neskowin, Oregon**

**DISTRICT OFFICIALS**

June 30, 2024

**BOARD OF COMMISSIONERS**

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

John Metschan, Treasurer  
5975 Pacific Overlook Drive  
Neskowin, Oregon 97149

Brenda Freshman, Secretary  
6715 Pacific Overlook Drive  
Neskowin, Oregon 97149

Guy Sievert  
5980 Edelman Way  
Neskowin, Oregon 97149

Paul Bender  
47495 Cove Crest 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 Audit of the Financial Statements**

***Opinions***

We have audited the 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, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 as of June 30, 2024, and the respective changes in modified cash basis financial position and, where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note I-C.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Neskowin Regional Water District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***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 opinions are not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

Neskowin Regional Water District's management is responsible for the preparation and fair presentation of the 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.

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 Neskowin Regional Water District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial 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 opinions. Reasonable assurance is a high level of assurance, but is not absolute assurance, and therefore is not a guarantee that an audit conducted in accordance with GAAS 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, 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 Neskowin Regional Water District'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 District'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.

### ***Supplementary 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.

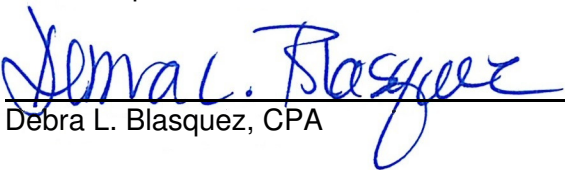
The combining statements and budgetary comparison information presented on pages 35 through 43 are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected 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 GAAS. 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, 34, 44 through 45, and 46, 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 20, 2024 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 20, 2024



## **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, 2024, 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, 2024, total net position of Neskowin Regional Water District amounted to \$3,750,486. Of this amount, \$2,482,279 was invested in capital assets, net of related debt. The remaining balance included \$640,271 restricted for various purposes and \$627,936 of unrestricted net position.
- The District's total net position increased by \$340,382 during the current fiscal year.
- Overall revenues were \$1,080,589, which exceeded total expenses of \$740,207 by \$340,382.

#### **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, 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 six 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, System Development, and Capital Improvement Fund, all of which are considered to be major proprietary funds.

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.

### **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 33 of this report.

**NESKOWIN REGIONAL WATER DISTRICT**  
**Neskowin, Oregon**

MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)

**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 34 through 43 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, 2024, the District’s assets exceeded liabilities by \$3,750,486.

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 \$340,382 during the current fiscal year.

Condensed statement of net position information is shown below.

**Condensed Statement of Net Position - Modified Cash Basis**

	<b>Business-Type Activities</b>	
	2024	2023
<b>Assets</b>		
Current assets	\$ 627,936	\$ 449,983
Restricted assets	640,271	486,061
Net capital assets	2,596,154	2,641,977
Total assets	3,864,361	3,578,021
<b>Liabilities</b>		
Current liabilities	55,950	54,042
Noncurrent liabilities	57,925	113,875
Total liabilities	113,875	167,917
<b>Net position</b>		
Net investment in capital assets	2,482,279	2,474,060
Restricted	640,271	486,061
Unrestricted	627,936	449,983
Total net position	\$ 3,750,486	\$ 3,410,104

**NESKOWIN REGIONAL WATER DISTRICT**  
Neskowin, Oregon

MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)

**District’s Changes in Net Position – Modified Cash Basis**

The condensed statement of activities information shown below explains changes in net position resulting from modified cash basis transactions.

**Condensed Statement of Activities - Modified Cash Basis**

	<b>Business-Type Activities</b>	
	<u>2024</u>	<u>2023</u>
<b>Program revenues</b>		
Charges for services	\$ 593,419	\$ 537,047
Capital grants and contributions	<u>154,240</u>	<u>147,907</u>
Total program revenues	<u>747,659</u>	<u>684,954</u>
<b>General revenues</b>		
Property taxes	211,125	207,484
Investment earnings	53,760	22,810
DEQ grant	-	27,500
Miscellaneous	5,045	36,409
Donated property	63,000	-
Proceeds from sale	<u>-</u>	<u>3,000</u>
Total general revenues	<u>332,930</u>	<u>297,203</u>
Total revenues	1,080,589	982,157
<b>Program expenses</b>		
Water service charges	<u>740,207</u>	<u>694,559</u>
<b>Change in net position</b>	340,382	287,598
<b>Net position - beginning of year</b>	<u>3,410,104</u>	<u>3,122,506</u>
<b>Net position - end of year</b>	<u>\$ 3,750,486</u>	<u>\$ 3,410,104</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 \$3,492,463. This amount included \$2,482,279 invested in capital assets, net of related debt, and \$517,146 restricted for system development. The remaining amount of \$493,038 was unrestricted.

**NESKOWIN REGIONAL WATER DISTRICT**  
**Neskowin, Oregon**

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Significant Changes in Major Proprietary Fund Net Position

- General Fund: The 27.4% decrease in unrestricted net position can be attributed to the District's higher personnel costs during the fiscal year.
- System Development Fund: There was a 42.5% increase in amounts restricted for system development. In the 2023-2024 fiscal year, the District received \$154,240 in system development charges and had no expenditures from the System Development Fund.
- Capital Improvement Fund: The 54% increase in unrestricted net position can be attributed to the District allocating 100% of the District's permanent tax rate and interest from the District's LGIP savings account to the Capital Improvement Fund. The District had no major projects the Capital Improvement Fund paid for in the 2023-2024 fiscal year.

**BUDGETARY HIGHLIGHTS: GENERAL FUND**

Significant variances between budgeted and actual amounts in the General Fund for the year ended June 30, 2024 include:

- Miscellaneous revenues were budgeted for \$8,000. Actual revenues were \$5,045 (36.9% under budget) due to receiving less late fees than budgeted.

**CAPITAL ASSETS**

The District's investment in capital assets for its business-type activities as of June 30, 2024 amounted to \$2,596,154, net of accumulated depreciation. This investment in capital assets includes land, construction in progress, buildings, water system, software, 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 \$167,402.

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 \$113,875. This amount represents a loan payable to the Oregon Economic and Community Development Department. The District's total debt decreased by \$54,042 during the current fiscal year.

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

**NESKOWIN REGIONAL WATER DISTRICT**  
**Neskowin, Oregon**

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

**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 circumstances that could affect its future financial health:

- Personnel costs are expected to continue to increase in the coming years.
- Insurance rates are increasing faster than inflation.
- The future ownership of watershed lands will come with financial responsibilities that are difficult to calculate.

These factors were considered in preparing the District's budget for fiscal year 2024-2025.

**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, 2024

	Business-Type Activities
<b>ASSETS</b>	
Current assets	
Cash and cash equivalents	\$ <u>627,936</u>
Restricted assets	
Cash and cash equivalents	<u>640,271</u>
Capital assets	
Land	99,507
Construction in progress	60,082
Capital assets, net of accumulated depreciation	<u>2,436,565</u>
Total capital assets	<u>2,596,154</u>
Total assets	<u>3,864,361</u>
<b>LIABILITIES</b>	
Current liabilities	
Long-term debt, current portion	55,950
Noncurrent liabilities	
Long-term debt, less current portion	<u>57,925</u>
Total liabilities	<u>113,875</u>
<b>NET POSITION</b>	
Net investment in capital assets	2,482,279
Restricted	640,271
Unrestricted	<u>627,936</u>
Total net position	<u>\$ 3,750,486</u>

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, 2024

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u> <u>Revenue and</u> <u>Changes in</u> <u>Net Position</u>
Business-type activities	<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	<u>Business-Type</u>
Water service charges	<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Activities</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Water service charges	<u>740,207</u>	<u>593,419</u>	<u>-</u>	<u>154,240</u>
General revenues				
Property taxes				211,125
Investment earnings				53,760
Miscellaneous				5,045
Donated property				<u>63,000</u>
Total general revenues				<u>332,930</u>
Change in net position				340,382
Net position - beginning				<u>3,410,104</u>
Net position - ending				<u>\$ 3,750,486</u>

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, 2024

	Business-Type Activities - Enterprise Funds	
	General	System Development
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 57,286	\$ -
Restricted assets		
Cash and cash equivalents	-	517,146
Capital assets		
Land	99,507	
Construction in progress	60,082	-
Capital assets, net of accumulated depreciation	2,436,565	-
Total capital assets	2,596,154	-
Total assets	2,653,440	517,146
<b>LIABILITIES</b>		
Current liabilities		
Long-term debt, current portion	55,950	-
Noncurrent liabilities		
Long-term debt, less current portion	57,925	-
Total liabilities	113,875	-
<b>NET POSITION</b>		
Net investment in capital assets	2,482,279	-
Restricted for:		
System development	-	517,146
Debt service	-	-
Unrestricted	57,286	-
Total net position	\$ 2,539,565	\$ 517,146

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

<u>Business-Type Activities - Enterprise Funds</u>		
<u>Capital Improvement</u>	<u>Nonmajor</u>	<u>Total</u>
\$ 435,752	\$ 134,898	\$ 627,936
-	123,125	640,271
-	-	99,507
-	-	60,082
-	-	2,436,565
-	-	2,596,154
435,752	258,023	3,864,361
-	-	55,950
-	-	57,925
-	-	113,875
-	-	2,482,279
-	-	517,146
-	123,125	123,125
435,752	134,898	627,936
\$ 435,752	\$ 258,023	\$ 3,750,486

**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, 2024

	Business-Type Activities - Enterprise Funds	
	General	System Development
Operating revenues		
Charges for services	\$ 593,419	\$ -
Operating expenses		
Personnel services	411,305	-
Materials and services	152,409	-
Depreciation	167,402	-
Capital outlay	-	-
Total operating expenses	731,116	-
Operating income (loss)	(137,697)	-
Nonoperating revenues (expenses)		
Property taxes	567	-
System development charges	-	154,240
Investment earnings	93	-
Donated property	-	-
Interest expense	-	-
Miscellaneous	5,045	-
Total nonoperating revenues (expenses)	5,705	154,240
Income (loss) before contributions and transfers	(131,992)	154,240
Contributed capital in	167,001	-
Contributed capital out	-	-
Transfers in	-	-
Transfers out	(48,439)	-
Change in net position	(13,430)	154,240
Total net position - beginning	2,552,995	362,906
Total net position - ending	\$ 2,539,565	\$ 517,146

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

Business-Type Activities - Enterprise Funds

<u>Capital Improvement</u>	<u>Nonmajor</u>	<u>Total</u>
\$ -	\$ -	\$ 593,419
-	-	411,305
-	-	152,409
-	-	167,402
<u>1,400</u>	<u>1,764</u>	<u>3,164</u>
<u>1,400</u>	<u>1,764</u>	<u>734,280</u>
<u>(1,400)</u>	<u>(1,764)</u>	<u>(140,861)</u>
150,619	59,939	211,125
-	-	154,240
53,667	-	53,760
-	63,000	63,000
-	(5,927)	(5,927)
<u>-</u>	<u>-</u>	<u>5,045</u>
<u>204,286</u>	<u>117,012</u>	<u>481,243</u>
202,886	115,248	340,382
-	-	167,001
-	(167,001)	(167,001)
-	98,439	98,439
<u>(50,000)</u>	<u>-</u>	<u>(98,439)</u>
152,886	46,686	340,382
<u>282,866</u>	<u>211,337</u>	<u>3,410,104</u>
<u>\$ 435,752</u>	<u>\$ 258,023</u>	<u>\$ 3,750,486</u>

**NESKOWIN REGIONAL WATER DISTRICT**  
**Neskowin, Oregon**

STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS

PROPRIETARY FUNDS

For the Year Ended June 30, 2024

	Business-Type Activities - Enterprise Funds	
	General	System Development
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 593,419	\$ -
Payments to employees	(411,305)	-
Payments to suppliers	(152,409)	-
	29,705	-
Net cash provided (used) by operating activities		
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Property tax revenue	567	-
System development charges	-	154,240
Miscellaneous nonoperating revenue	5,045	-
Transfer from other funds	-	-
Transfer to other funds	(48,439)	-
	(42,827)	154,240
Net cash provided (used) by noncapital financing activities		
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Contributed capital in	167,001	-
Contributed capital out	-	-
Purchases of capital assets	(121,579)	-
Principal paid on capital debt	(54,042)	-
Interest paid on capital debt	-	-
	(8,620)	-
Net cash provided (used) by capital and related financing activities		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	93	-
	93	-
Net cash provided (used) by investing activities		
Net increase (decrease) in cash and cash equivalents	(21,649)	154,240
Cash and cash equivalents - beginning (including \$362,906 and \$123,155 for the System Development Fund and nonmajor enterprise funds, respectively, reported in restricted accounts)	78,935	362,906
Cash and cash equivalents - ending (including \$517,146 and \$123,125 for the System Development Fund and nonmajor enterprise funds, respectively, reported in restricted accounts)	\$ 57,286	\$ 517,146
<b>SUPPLEMENTAL SCHEDULE OF NONCASH ACTIVITIES</b>		
Donated property	\$ -	\$ -

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

Business-Type Activities - Enterprise Funds

<u>Capital Improvement</u>	<u>Nonmajor</u>	<u>Total</u>
\$ -	\$ -	\$ 593,419
-	-	(411,305)
<u>(1,400)</u>	<u>(1,764)</u>	<u>(155,573)</u>
<u>(1,400)</u>	<u>(1,764)</u>	<u>26,541</u>
150,619	59,939	211,125
-	-	154,240
-	-	5,045
-	98,439	98,439
<u>(50,000)</u>	<u>-</u>	<u>(98,439)</u>
<u>100,619</u>	<u>158,378</u>	<u>370,410</u>
-	-	167,001
-	(104,001)	(104,001)
-	-	(121,579)
-	-	(54,042)
<u>-</u>	<u>(5,927)</u>	<u>(5,927)</u>
<u>-</u>	<u>(109,928)</u>	<u>(118,548)</u>
<u>53,667</u>	<u>-</u>	<u>53,760</u>
<u>53,667</u>	<u>-</u>	<u>53,760</u>
152,886	46,686	332,163
<u>282,866</u>	<u>211,337</u>	<u>936,044</u>
<u>\$ 435,752</u>	<u>\$ 258,023</u>	<u>\$ 1,268,207</u>
\$ -	\$ 63,000	\$ 63,000

(Continued)



**NESKOWIN REGIONAL WATER DISTRICT**  
**Neskowin, Oregon**

STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS

PROPRIETARY FUNDS

For the Year Ended June 30, 2024

(Continued)

	Business-Type Activities - Enterprise Funds	
	General	System Development
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ (137,697)	\$ -
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	167,402	-
Net cash provided (used) by operating activities	\$ 29,705	\$ -

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

<u>Business-Type Activities - Enterprise Funds</u>		
<u>Capital</u>		
<u>Improvement</u>	<u>Nonmajor</u>	<u>Total</u>
\$ (1,400)	\$ (1,764)	\$ (140,861)
-	-	167,402
<u>\$ (1,400)</u>	<u>\$ (1,764)</u>	<u>\$ 26,541</u>

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**NESKOWIN REGIONAL WATER DISTRICT**  
**Neskowin, Oregon**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

**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, 2024

**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, 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 funds:

Enterprise Funds

*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.

*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.

*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.

Additionally, the District reports the following nonmajor proprietary funds:

Enterprise Funds

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

**NESKOWIN REGIONAL WATER DISTRICT**  
**Neskowin, Oregon**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**3. Financial Statement Presentation (Continued)**

Enterprise Funds (Continued)

*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.

*Watershed Acquisition Fund* – The Watershed Acquisition Fund is used to reserve funds for purchasing land containing the District's watershed. 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 Net Position**

**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, 2024

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities, and Net Position (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>
Office equipment, furniture, and intangibles	5-7
Vehicles and equipment	5-20
Water system	10-50
Buildings	25-30

**NESKOWIN REGIONAL WATER DISTRICT**  
**Neskowin, Oregon**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities, and Net Position (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 Plan**

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, 2024

**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 and one approved appropriation transfer.

**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 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, 2024

**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, 2024, the District had the following investments:

	Credit Quality Rating	Maturities	Fair Value
Oregon Local Government Investment Pool	Unrated	-	\$ 1,257,574

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, 2024

**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, 2024, the District’s total deposits of \$16,409 were fully insured by the FDIC.

Deposits

The District’s deposits and investments at June 30, 2024 are as follows:

Checking account	\$ 10,633
Total investments	<u>1,257,574</u>
Total deposits and investments	<u>\$ 1,268,207</u>

Cash and investments by fund:

Business-type activities - unrestricted	
General Fund	\$ 57,286
Capital Improvement Fund	435,752
Nonmajor proprietary funds	<u>134,898</u>
Total business-type activities - unrestricted	<u>627,936</u>
Business-type activities - restricted	
System Development Fund	517,146
Nonmajor proprietary funds	<u>123,125</u>
Total business-type activities - restricted	<u>640,271</u>
Total cash and investments	<u>\$ 1,268,207</u>

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

**NESKOWIN REGIONAL WATER DISTRICT**  
**Neskowin, Oregon**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

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

**B. Capital Assets**

Capital asset activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets not being depreciated				
Land	\$ -	\$ 99,507	\$ -	\$ 99,507
Construction in progress	<u>60,082</u>	<u>-</u>	<u>-</u>	<u>60,082</u>
Total capital assets not being depreciated	<u>60,082</u>	<u>99,507</u>	<u>-</u>	<u>159,589</u>
Capital assets being depreciated				
Buildings	1,293,224	-	-	1,293,224
Water system	4,729,245	8,620	-	4,737,865
Software	14,540	-	-	14,540
Equipment	192,429	13,452	-	205,881
Office furniture	<u>5,339</u>	<u>-</u>	<u>-</u>	<u>5,339</u>
Total capital assets being depreciated	<u>6,234,777</u>	<u>22,072</u>	<u>-</u>	<u>6,256,849</u>
Less accumulated depreciation for				
Buildings	(773,516)	(43,784)	-	(817,300)
Water system	(2,743,873)	(103,684)	-	(2,847,557)
Software	(2,908)	(4,653)	-	(7,561)
Equipment	(127,246)	(15,281)	-	(142,527)
Office furniture	<u>(5,339)</u>	<u>-</u>	<u>-</u>	<u>(5,339)</u>
Total accumulated depreciation	<u>(3,652,882)</u>	<u>(167,402)</u>	<u>-</u>	<u>(3,820,284)</u>
Total capital assets being depreciated, net	<u>2,581,895</u>	<u>(145,330)</u>	<u>-</u>	<u>2,436,565</u>
Business-type activities capital assets, net	<u>\$ 2,641,977</u>	<u>\$ (45,823)</u>	<u>\$ -</u>	<u>\$ 2,596,154</u>

**NESKOWIN REGIONAL WATER DISTRICT**  
**Neskowin, Oregon**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

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

**B. Capital Assets (Continued)**

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

	Capital Assets	Accumulated Depreciation	Net Capital Assets
Business-type activities			
Land	\$ 99,507	\$ -	\$ 99,507
Construction in progress	60,082	-	60,082
Buildings	1,293,224	(817,300)	475,924
Water system	4,737,865	(2,847,557)	1,890,308
Software	14,540	(7,561)	6,979
Equipment	205,881	(142,527)	63,354
Office furniture	5,339	(5,339)	-
Total capital assets	\$ 6,416,438	\$ (3,820,284)	\$ 2,596,154

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

Business-type activities	
Water service charges	\$ 167,402

**C. Interfund Transfers**

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

	Transfers in: Nonmajor Proprietary Funds
Transfers out:	
General Fund	\$ 48,439
Capital Improvement Fund	50,000
Total	\$ 98,439

The primary purposes of the interfund transfers in were as follows:

Nonmajor Proprietary Funds

Truck and Equipment Fund: To provide funds for future truck and equipment purchases.

Watershed Acquisition Fund: To provide funds for future land purchases.

**NESKOWIN REGIONAL WATER DISTRICT**  
**Neskowin, Oregon**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

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

**D. Long-Term Liabilities**

**1. Changes in Long-Term Debt**

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

	Interest Rate	Original Amount	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities							
Water Treatment Plant Loan	3.53%	\$ 850,000	\$ 167,917	-	\$ 54,042	\$ 113,875	\$ 55,950

**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.

**3. Future Maturities of Long-Term Liabilities**

Year Ending June 30	Loan		
	Principal	Interest	Total
2025	\$ 55,950	\$ 4,020	\$ 59,970
2026	57,925	2,045	59,970
Total	\$ 113,875	\$ 6,065	\$ 119,940

**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, 2024

**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 annual comprehensive financial report and actuarial valuation, both of which can be obtained at: <https://www.oregon.gov/pers/emp/pages/annual-reports.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 they have had a contribution in each of five calendar years or have 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, 2024

**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.

A member's beneficiary may choose a monthly payment for life instead of a lump sum or a combination of a lump sum and monthly payments. The monthly payment must be a minimum of \$200 per month for deaths that occur after July 30, 2003.

As of 2020, the Oregon Legislature introduced an Optional Spouse Death Benefit (OSDB), which may provide a higher survivor benefit than the standard pre-retirement death benefit described above. To be eligible for the OSDB, the member must have died before retiring, named their spouse or other person who is constitutionally required to be treated in the same manner as the spouse as their pre-retirement beneficiary, and met the following conditions:

- the member's date of death is on or after January 1, 2020,
- the member's account is eligible for the employer-matching death benefit (as described above),
- the member has a surviving spouse, and
- the surviving spouse is the member's sole beneficiary as determined by a valid Tier One/Tier Two Pre-Retirement Beneficiary Designation form on file with PERS.



**NESKOWIN REGIONAL WATER DISTRICT**  
**Neskowin, Oregon**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

**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 (Continued)

The surviving spouse must make written election no later than 60 days after the member's date of death. For members who die before their earliest retirement date, the OSDB is the actuarial equivalent of 50% of the service retirement that would have been paid to the member, calculated as if the member became inactive on their date of death and retired at their earliest retirement date. For members who die after their earliest retirement date, but before normal retirement age, the OSDB is the actuarial equivalent of the service retirement that would have been paid to the member, calculated as if they retired on the first day of the month following their death. For members who die after their normal retirement age, the OSDB is the actuarial equivalent of the benefit that would have been paid to the member, calculated as if the member retired on the first day of the month following their date of death.

The surviving spouse or other person may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached the age of their federally required minimum distribution.

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), starting with the monthly benefits received or entitled to be received on August 1. The COLA is capped at 2.0%.

**NESKOWIN REGIONAL WATER DISTRICT**  
**Neskowin, Oregon**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

**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. The surviving spouse or other person may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached the age of their federally required minimum distribution.

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, 2024

**IV. OTHER INFORMATION (Continued)**

**B. Pension Plan (Continued)**

**2. Benefits Provided (Continued)**

**c. OPSRP Individual Account Program (IAP) (Defined Contribution)**

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 is 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 their employee account, rollover account, and vested employer-funded 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. Installment amounts vary with market returns as the account remains invested while in distribution. When chosen, the distribution option must result in a \$200 minimum distribution amount, or the frequency of the installments will be adjusted to reach that minimum.

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, 2024

**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, 2021 actuarial valuation, which became effective July 1, 2023. Effective January 1, 2020, Senate Bill 1049 requires 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, 2024 were \$50,872, excluding amounts to fund employer-specific liabilities. The rates in effect for the fiscal year ended June 30, 2024 were 26.84% for Tier One/Tier Two general service members, 22.13% 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, 2024.

**D. 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. 101, *Compensated Absences*, will be effective for the District beginning with its fiscal year ending June 30, 2025. This statement updates the recognition and measurement guidance for compensated absences and amends previously required disclosures.

GASB Statement No. 102, *Certain Risk Disclosures*, will be effective for the District beginning with its fiscal year ending June 30, 2025. This statement provides users of governmental financial statements the essential information about risks related to the government's vulnerabilities due to certain concentrations or constraints.

GASB Statement No. 103, *Financial Reporting Model Improvements*, will be effective for the District beginning with its fiscal year ending June 30, 2026. This statement improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability.

**NESKOWIN REGIONAL WATER DISTRICT**  
**Neskowin, Oregon**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

**IV. OTHER INFORMATION (Continued)**

**E. Subsequent Events**

Management has evaluated subsequent events through December 20, 2024, which was the date that the financial statements were available to be issued.

## **SUPPLEMENTARY INFORMATION**

**NESKOWIN REGIONAL WATER DISTRICT**  
**Neskowin, Oregon**

SCHEDULE OF CONTRIBUTIONS

<b><u>Pension Plan</u></b>		(b)		(a-b)		(c)	(b/c)
Year Ended June 30	(a) Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	District's covered payroll	Contributions as a percent of covered payroll		
2024	\$ 50,872	\$ 50,872	\$ -	\$ 268,019	18.98%		
2023	47,397	47,397	-	232,528	20.38%		
2022	48,845	48,845	-	245,132	19.93%		
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%		

**Changes in Benefit Terms**

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.

Oregon Senate Bill 111, enacted in June 2021, provides an increased pre-retirement death benefit for members who die on or after their early retirement age.

**Changes in Assumptions**

The Public Employees Retirement System Board adopted assumption changes that were used to measure the June 30, 2016, 2018, and 2021 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 rate to 2.50%. For June 30, 2018, the long-term expected rate of return was lowered to 7.20%. For June 30, 2021, the long-term expected rate of return was lowered to 6.90% and the inflation rate was lowered to 2.40%. 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.

**NESKOWIN REGIONAL WATER DISTRICT**  
**Neskowin, Oregon**

COMBINING STATEMENT OF NET POSITION - MODIFIED CASH BASIS

NONMAJOR PROPRIETARY FUNDS

June 30, 2024

	Business-Type Activities - Enterprise Funds			
	Debt Service	Truck and Equipment	Watershed Acquisition	Total Nonmajor
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ -	\$ 81,405	\$ 53,493	\$ 134,898
Restricted assets				
Cash and cash equivalents	<u>123,125</u>	<u>-</u>	<u>-</u>	<u>123,125</u>
Total assets	<u>123,125</u>	<u>81,405</u>	<u>53,493</u>	<u>258,023</u>
<b>LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>				
Restricted for debt service	123,125	-	-	123,125
Unrestricted	<u>-</u>	<u>81,405</u>	<u>53,493</u>	<u>134,898</u>
Total net position	<u>\$ 123,125</u>	<u>\$ 81,405</u>	<u>\$ 53,493</u>	<u>\$ 258,023</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, 2024

	Business-Type Activities - Enterprise Funds			
	Debt Service	Truck and Equipment	Watershed Acquisition	Total Nonmajor
Operating revenues	\$ -	\$ -	\$ -	\$ -
Operating expenses				
Capital outlay	-	1,764	-	1,764
Operating income (loss)	-	(1,764)	-	(1,764)
Nonoperating revenues (expenses)				
Property taxes	59,939	-	-	59,939
Donated property	-	-	63,000	63,000
Interest expense	(5,927)	-	-	(5,927)
Total nonoperating revenues (expenses)	54,012	-	63,000	117,012
Income (loss) before contributions and transfers	54,012	(1,764)	63,000	115,248
Contributed capital out	(54,042)	(13,452)	(99,507)	(167,001)
Transfers in	-	48,439	50,000	98,439
Change in net position	(30)	33,223	13,493	46,686
Total net position - beginning	123,155	48,182	40,000	211,337
Total net position - ending	\$ 123,125	\$ 81,405	\$ 53,493	\$ 258,023

**NESKOWIN REGIONAL WATER DISTRICT**  
**Neskowin, Oregon**

COMBINING STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS

NONMAJOR PROPRIETARY FUNDS

For the Year Ended June 30, 2024

	Business-Type Activities - Enterprise Funds			
	Debt Service	Truck and Equipment	Watershed Acquisition	Total Nonmajor
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Payments to suppliers	\$ -	\$ (1,764)	\$ -	\$ (1,764)
Net cash provided (used) by operating activities	-	(1,764)	-	(1,764)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Property tax revenue	59,939	-	-	59,939
Transfer from other funds	-	48,439	50,000	98,439
Net cash provided (used) by noncapital financing activities	59,939	48,439	50,000	158,378
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Contributed capital out	(54,042)	(13,452)	(36,507)	(104,001)
Interest paid on capital debt	(5,927)	-	-	(5,927)
Net cash provided (used) by capital and related financing activities	(59,969)	(13,452)	(36,507)	(109,928)
Net increase (decrease) in cash and cash equivalents	(30)	33,223	13,493	46,686
Cash and cash equivalents - beginning (including \$123,155 for the Debt Service Fund reported in restricted accounts)	123,155	48,182	40,000	211,337
Cash and cash equivalents - ending (including \$123,125 for the Debt Service Fund reported in restricted accounts)	\$ 123,125	\$ 81,405	\$ 53,493	\$ 258,023
<b>SUPPLEMENTAL SCHEDULE OF NONCASH ACTIVITIES</b>				
Donated property	\$ -	\$ -	\$ 63,000	\$ 63,000

**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, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget Over (Under)</u>
<b>REVENUES</b>			
Charges for services	\$ 546,200	\$ 546,200	\$ 47,219
Investment earnings	25	25	68
Property taxes	-	-	567
Miscellaneous	<u>8,000</u>	<u>8,000</u>	<u>(2,955)</u>
Total revenues	<u>554,225</u>	<u>554,225</u>	<u>44,899</u>
<b>EXPENSES</b>			
Current			
Personnel services	443,352	443,352	(32,047)
Materials and services	153,810	153,810	7,219
Depreciation	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>597,162</u>	<u>597,162</u>	<u>(24,828)</u>
Excess (deficiency) of revenues over (under) expenses	<u>(42,937)</u>	<u>(42,937)</u>	<u>69,727</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Contributed capital in	-	-	-
Transfers out	<u>(7,063)</u>	<u>(48,439)</u>	<u>-</u>
Total other financing sources (uses)	<u>(7,063)</u>	<u>(48,439)</u>	<u>-</u>
Change in net position	(50,000)	(91,376)	69,727
Net position - beginning	<u>50,000</u>	<u>91,376</u>	<u>(12,441)</u>
Net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,286</u>

Budget Basis	Actual	
	Adjustments	Modified Cash Basis
\$ 593,419	\$ -	\$ 593,419
93	-	93
567	-	567
<u>5,045</u>	<u>-</u>	<u>5,045</u>
<u>599,124</u>	<u>-</u>	<u>599,124</u>
411,305	-	411,305
161,029	(8,620)	152,409
<u>-</u>	<u>167,402</u>	<u>167,402</u>
<u>572,334</u>	<u>158,782</u>	<u>731,116</u>
<u>26,790</u>	<u>(158,782)</u>	<u>(131,992)</u>
-	167,001	167,001
<u>(48,439)</u>	<u>-</u>	<u>(48,439)</u>
<u>(48,439)</u>	<u>167,001</u>	<u>118,562</u>
(21,649)	8,219	(13,430)
<u>78,935</u>	<u>2,474,060</u>	<u>2,552,995</u>
<u>57,286</u>	<u>\$ 2,482,279</u>	<u>\$ 2,539,565</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, 2024

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual		
	<u>Budget</u>	<u>Over (Under)</u>	<u>Budget Basis</u>	<u>Adjustments</u>	<u>Modified Cash Basis</u>
<b>REVENUES</b>					
System development charges	\$ 89,009	\$ 65,231	\$ 154,240	\$ -	\$ 154,240
<b>EXPENSES</b>					
Capital outlay	<u>397,947</u>	<u>(397,947)</u>	-	-	-
Excess (deficiency) of revenues over (under) expenses	(308,938)	463,178	154,240	-	154,240
Net position - beginning	<u>308,938</u>	<u>53,968</u>	<u>362,906</u>	-	<u>362,906</u>
Net position - ending	<u>\$ -</u>	<u>\$ 517,146</u>	<u>\$ 517,146</u>	<u>\$ -</u>	<u>\$ 517,146</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, 2024

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual	
			Budget Basis	Modified Cash Basis
<b>REVENUES</b>				
Property taxes	\$ 154,122	\$ (3,503)	\$ 150,619	\$ 150,619
Investment earnings	20,000	33,667	53,667	53,667
Grants	<u>50,000</u>	<u>(50,000)</u>	<u>-</u>	<u>-</u>
Total revenues	224,122	(19,836)	204,286	204,286
<b>EXPENSES</b>				
Capital outlay	<u>450,059</u>	<u>(448,659)</u>	<u>1,400</u>	<u>1,400</u>
Excess (deficiency) of revenues over (under) expenses	(225,937)	428,823	202,886	202,886
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(50,000)</u>	<u>-</u>	<u>(50,000)</u>	<u>(50,000)</u>
Change in net position	(275,937)	428,823	152,886	152,886
Net position - beginning	<u>275,937</u>	<u>6,929</u>	<u>282,866</u>	<u>282,866</u>
Net position - ending	<u>\$ -</u>	<u>\$ 435,752</u>	<u>\$ 435,752</u>	<u>\$ 435,752</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, 2024

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual	
			Budget Basis	Adjusted Cash Basis
<b>REVENUES</b>				
Property taxes	\$ 57,304	\$ 2,635	\$ 59,939	\$ 59,939
<b>EXPENSES</b>				
Debt service	<u>59,969</u>	<u>-</u>	<u>59,969</u>	<u>(54,042)</u>
Excess (deficiency) of revenues over (under) expenses	(2,665)	2,635	(30)	54,012
<b>OTHER FINANCING SOURCES (USES)</b>				
Contributed capital out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(54,042)</u>
Change in net position	(2,665)	2,635	(30)	(30)
Net position - beginning	<u>122,604</u>	<u>551</u>	<u>123,155</u>	<u>123,155</u>
Net position - ending	<u>\$ 119,939</u>	<u>\$ 3,186</u>	<u>\$ 123,125</u>	<u>\$ 123,125</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, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget Over (Under)</u>
<b>REVENUES</b>	\$ -	\$ -	\$ -
<b>EXPENSES</b>			
Capital outlay	<u>55,245</u>	<u>55,245</u>	<u>(40,029)</u>
Excess (deficiency) of revenues over (under) expenses	<u>(55,245)</u>	<u>(55,245)</u>	<u>40,029</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Contributed capital out	-	-	-
Transfers in	<u>7,063</u>	<u>48,439</u>	<u>-</u>
Total other financing sources (uses)	<u>7,063</u>	<u>48,439</u>	<u>-</u>
Change in net position	(48,182)	(6,806)	40,029
Net position - beginning	<u>48,182</u>	<u>48,182</u>	<u>-</u>
Net position - ending	<u>\$ -</u>	<u>\$ 41,376</u>	<u>\$ 40,029</u>



Budget Basis	Actual	
	Adjustments	Modified Cash Basis
\$ -	\$ -	\$ -
<u>15,216</u>	<u>(13,452)</u>	<u>1,764</u>
<u>(15,216)</u>	<u>13,452</u>	<u>(1,764)</u>
-	(13,452)	(13,452)
<u>48,439</u>	<u>-</u>	<u>48,439</u>
<u>48,439</u>	<u>(13,452)</u>	<u>34,987</u>
33,223	-	33,223
<u>48,182</u>	<u>-</u>	<u>48,182</u>
<u>\$ 81,405</u>	<u>\$ -</u>	<u>\$ 81,405</u>

**NESKOWIN REGIONAL WATER DISTRICT**  
**Neskowin, Oregon**

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

WATERSHED ACQUISITION FUND

For the Year Ended June 30, 2024

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual		Modified Cash Basis
			Budget Basis	Adjustments	
<b>REVENUES</b>					
Donated property	\$ -	\$ -	\$ -	\$ 63,000	\$ 63,000
<b>EXPENSES</b>					
Capital outlay	<u>50,000</u>	<u>(13,493)</u>	<u>36,507</u>	<u>(36,507)</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenses	<u>(50,000)</u>	<u>13,493</u>	<u>(36,507)</u>	<u>99,507</u>	<u>63,000</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Contributed capital out	-	-	-	(99,507)	(99,507)
Transfers in	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total other financing sources (uses)	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>(99,507)</u>	<u>(49,507)</u>
Change in net position	-	13,493	13,493	-	13,493
Net position - beginning	<u>-</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>40,000</u>
Net position - ending	<u>\$ -</u>	<u>\$ 53,493</u>	<u>\$ 53,493</u>	<u>\$ -</u>	<u>\$ 53,493</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, 2024

	Original Budget	Final Budget	Variance with Final Budget Over (Under)	Actual Budget Basis
<b>CASH RECEIPTS</b>				
Water revenue	\$ 542,200	\$ 542,200	\$ 45,334	\$ 587,534
Interest	25	25	68	93
Property taxes	-	-	567	567
Miscellaneous	8,000	8,000	(2,955)	5,045
Service installation	4,000	4,000	1,885	5,885
Total cash receipts	554,225	554,225	44,899	599,124
<b>CASH EXPENSES</b>				
Schedule - page 45	597,162	597,162	(24,828)	572,334
Excess (deficiency) of revenues over (under) expenses	(42,937)	(42,937)	69,727	26,790
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(7,063)	(48,439)	-	(48,439)
Change in net position	(50,000)	(91,376)	69,727	(21,649)
Net position - beginning	50,000	91,376	(12,441)	78,935
Net position - ending	\$ -	\$ -	\$ 57,286	\$ 57,286

**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, 2024

	Original Budget	Final Budget	Variance with Final Budget Over (Under)	Actual Budget Basis
Personnel services				
General manager	\$ 115,670	\$ 115,670	\$ (997)	\$ 114,673
Plant Technician	69,306	69,306	(41,365)	27,941
Office manager	49,005	49,005	(354)	48,651
Contractor	2,500	2,500	(2,500)	-
Operator	-	-	64,754	64,754
Maintenance Worker	34,007	34,007	(34,007)	-
Comp/vacation time payoff	12,000	12,000	-	12,000
Unemployment	200	200	(1,228)	(1,028)
Social security/Medicare	20,539	20,539	(36)	20,503
Workers comp/accident insurance	4,500	4,500	(1,322)	3,178
PERS	58,603	58,603	(7,389)	51,214
OR - Paid Leave Oregon	1,611	1,611	(3)	1,608
Health insurance	75,411	75,411	(7,600)	67,811
Total personnel services	<u>443,352</u>	<u>443,352</u>	<u>(32,047)</u>	<u>411,305</u>
Materials and services				
Office supplies and expenses	10,000	10,000	(1,414)	8,586
Telephone	6,000	6,000	(737)	5,263
Office rent	2,160	2,160	-	2,160
Insurance and bond	21,500	21,500	2,771	24,271
Legal and auditing	10,000	10,000	(3,775)	6,225
Memberships	3,750	3,750	5,651	9,401
Refunds	1,000	1,000	(781)	219
Bank charges	2,000	2,000	(202)	1,798
Vehicle maintenance	8,000	8,000	50	8,050
Miscellaneous	1,000	1,000	(190)	810
Repair and maintenance	60,000	60,000	8,886	68,886
Workshops and seminars	3,000	3,000	(1,813)	1,187
Plant supplies and tools	4,000	4,000	140	4,140
Chlorine and chemicals	4,000	4,000	(403)	3,597
Electricity	13,000	13,000	(1,674)	11,326
Water testing	3,500	3,500	710	4,210
Waste water charges	900	900	-	900
Total materials and services	<u>153,810</u>	<u>153,810</u>	<u>7,219</u>	<u>161,029</u>
Total cash expenses	<u>597,162</u>	<u>597,162</u>	<u>(24,828)</u>	<u>572,334</u>

**NESKOWIN REGIONAL WATER DISTRICT**  
**Neskowin, Oregon**

SCHEDULE OF PROPERTY TAX TRANSACTIONS

For the Year Ended June 30, 2024

Tax Year	Taxes Receivable July 1, 2023	2023-2024 Levy	Adjustments	Collections	Taxes Receivable June 30, 2024
2023-2024	\$ -	\$ 216,866	\$ (5,571)	\$ 206,663	\$ 4,632
2022-2023	3,943	-	(58)	2,005	1,880
2021-2022	1,659	-	(4)	749	906
2020-2021	867	-	(3)	540	324
2019-2020	328	-	(3)	257	68
2018-2019	67	-	(3)	15	49
2017-2018	62	-	(3)	13	46
Prior	481	-	(60)	7	414
Subtotal - Prior	7,407	-	(134)	3,586	3,687
Total	\$ 7,407	\$ 216,866	\$ (5,705)	210,249	\$ 8,319
Add:					
Other taxes and interest				876	
Undistributed taxes with county, July 1, 2023				-	
Total available				211,125	
Less: Turnovers to District					
				(211,125)	
Undistributed taxes with county, June 30, 2024				\$ -	

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, 2024, and have issued our report thereon dated December 20, 2024. 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, 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.

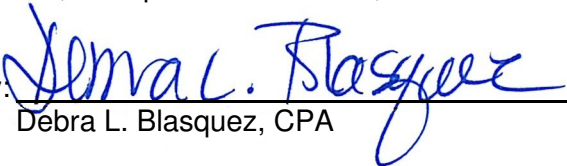
The District does not have any elected officials collecting or receiving money.

**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 20, 2024.

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 20, 2024