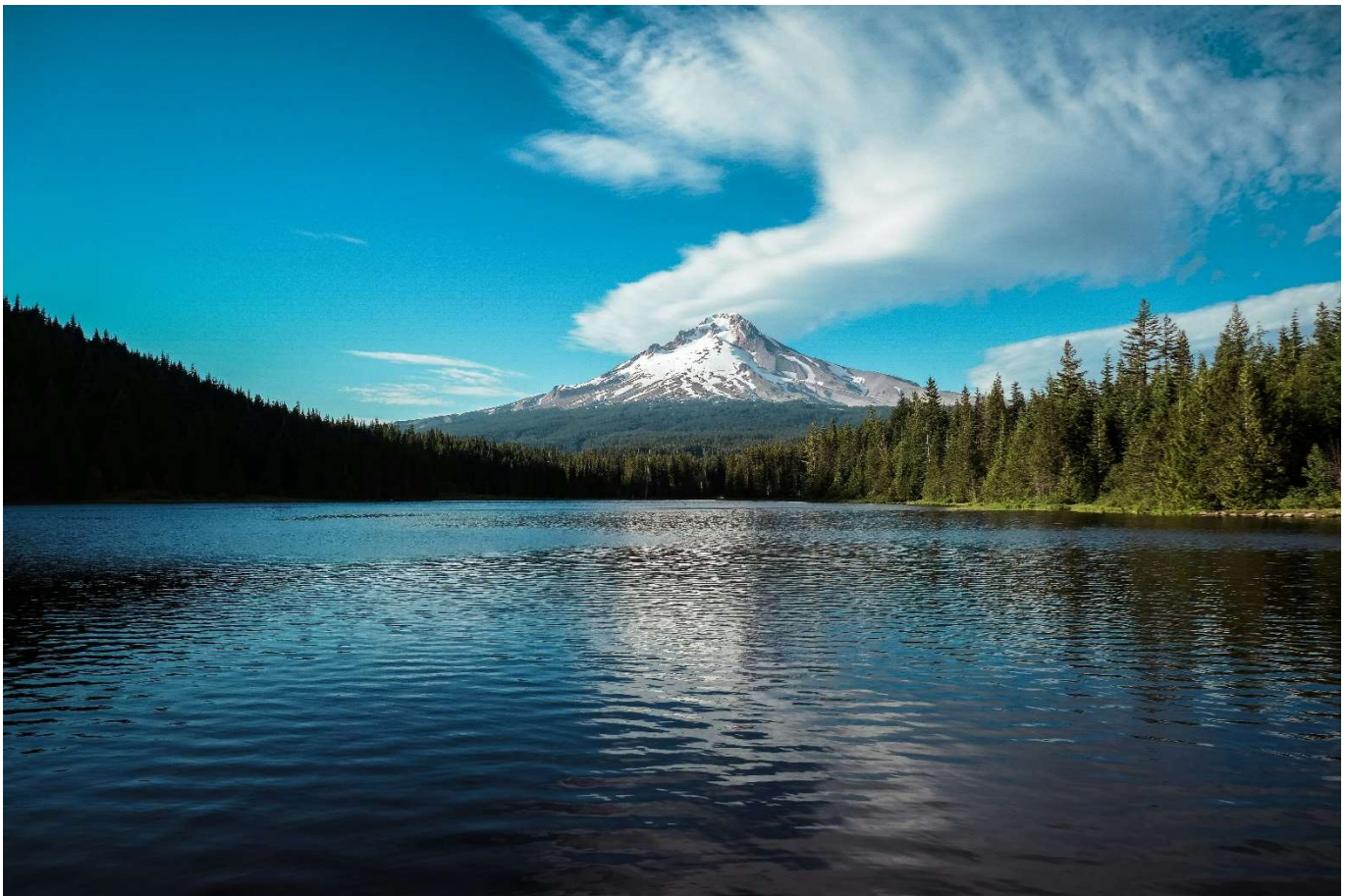




# Annual Comprehensive Financial Report

For the Fiscal Years Ended  
June 30, 2024 and 2023



3105 SW 89<sup>th</sup> Avenue  
Portland, OR 97225

Phone: (503) 292-2777  
[www.WSWD.org](http://www.WSWD.org)

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**WEST SLOPE WATER DISTRICT**  
**Washington County, Oregon**

**Annual Comprehensive Financial Report**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**Prepared by Wendy K. Irwin, CPA**  
**Finance Manager**

**WEST SLOPE WATER DISTRICT**  
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For the Years Ended June 30, 2024 and 2023

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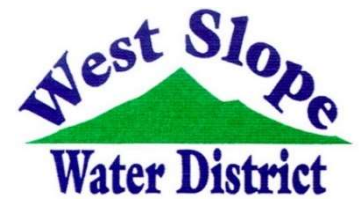
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# **INTRODUCTORY SECTION**



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October 22, 2024

To The Board of Commissioners and the  
Customers of West Slope Water District

We are pleased to submit the Annual Comprehensive Financial Report of West Slope Water District (the District) for the fiscal year ended June 30, 2024. State law requires that every municipal corporation publish, within six months of the close of each fiscal year, unless extended, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2024.

The District's management has full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

REDW LLC, has issued an unmodified ("clean") opinion on the West Slope Water District's financial statements for the year ended June 30, 2024. Grover, Mueller, and Swank, PC who merged with REDW LLC issued an unmodified opinion for the year ended June 30, 2023. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

### **Profile of the District**

West Slope Water District is a domestic water supply district formed in 1922 and operates as authorized by Oregon Revised Statutes (ORS), Chapter 264. The District provides potable water to residential and commercial customers as well as water for fire protection. The District is located in eastern Washington County which is in northwestern Oregon and is one of the counties that comprise the Portland metropolitan area.

The District's service area consists of approximately three-and-one-half square miles with a population of about 10,500 residents. The District's transmission and distribution system includes 48 miles of water main ranging in size from 2 to 18 inches in diameter, one 2.25-million-gallon concrete reservoir, one 3-million-gallon concrete reservoir, and one 0.8-million-gallon steel tank. All reservoirs are covered and secured. The District maintains over 450 hydrants, 800 valves, and 3,300 water meters.

The District serves an area within Washington County that is fully developed with minimal vacant land. Therefore, any development within the District is generally in-fill. As a result, the expected growth for the District's service territory is minimal, at 0.3 percent. Most of the District's service territory is residential with a mix of commercial running down Southwest Canyon Road (Highway 8) and Southwest Beaverton-Hillsdale Highway (Highway 10).



A five-member Board of Commissioners, elected to overlapping four-year terms governs the District. The Board of Commissioners set policy and hire and oversee the General Manager, who is charged with the daily management of the District. The District is not a component of any other entity, nor does the District have potential component units, as defined by the Governmental Accounting Standards Board (GASB).

The District prepares an annual budget, which serves as the foundation for the financial planning and control of the District's activities. The District's budget accounting records are maintained by fund on the modified accrual basis. The budget is adopted by fund and by major functional category. All budget changes after adoption require a resolution by the Board of Commissioners.

The District purchases one hundred percent of its water from the City of Portland (City) under a current 20-year Regional Water Sales Agreement that became effective July 1, 2006, which secures water resources from the Bull Run Watershed and Columbia South Shore well fields through June 30, 2026. In April 2021, the District received a notice of nonrenewal for extending the current wholesale water agreement from the City. Since then, the District along with the other wholesale water purchasers in the region have been negotiating a new water sales agreement with the City. That process was completed in May 2024 with the District's Board approving a new 30-year Wholesale Water Agreement with the City to become effective on July 1, 2026, when the current agreement ends, thus, securing a long-term source of water supply for District's customers.

In addition to the City, the District is fortunate to have a backup intertie with Tualatin Valley Water District (TVWD). The intertie supplies the District with on-demand water supply for emergencies and scheduled maintenance. District staff monitor interties with the City of Portland and TVWD utilizing Supervisory Control and Data Acquisition (SCADA) controls.

In May 2009, the City of Beaverton withdrew approximately five percent of the District's service territory. The District and the City of Beaverton finalized an Intergovernmental Agreement (IGA) on May 18, 2011, for debt service and unclaimed water reimbursement through 2028. Additional information about the IGA with the City of Beaverton can be found in the *Notes to the Financial Statement* on page 56.

### **Local Economy**

As noted above, the District is located in Washington County, the second most populous county in Oregon, and is one of the counties that comprises the Portland Metro Statistical Area. The County is centered on a fertile plain that attracted farmers before the first wagon trains. Agriculture is still a major industry in Washington County, as are lumber, manufacturing, and food processing. The development of a large electronics industry during the 1980's and 1990's is the dominating factor of the county economy, contributing to the creation of Oregon's Silicon Forest.

Major employment industries in Washington County include manufacturing; trade, transportation, and utilities; and education and health services. These three are the largest industries in terms of employment share, making up over 65% of total employment.

According to the State of Oregon Employment Department, as of June 2024, Washington County's unemployment rate, seasonally adjusted, was 3.6%, which is up from the previous year of 3.1% at June 2023. The unemployment rate in Washington County is lower than the rest of Oregon and the Portland metropolitan area. In addition, per the Bureau of Economic Analysis (BEA), the per capita personal income in Washington County (\$73,380 in 2022) consistently ranks the highest compared to the rest of Oregon.

### **Financial Condition and Future Planning**

As noted above, the District has very little available property for additional development and receives minimal revenues from System Development Charges (SDC). As a result, most of the District's operating revenue comes from the sale of water to residential and commercial customers. Fluctuations in water revenue are driven primarily by variations in outdoor temperature and the responsive demand for landscape irrigation by both residential and commercial customers.

One of the most significant operating expenses for the District is purchased water costs. Under the terms of the water purchase agreement with the City of Portland, the District's purchased water costs can be significantly impacted by shared capital improvement costs undertaken by the City. The District closely monitors its five-year financial plan which utilizes among other variables the wholesale water rate forecasts provided by the City. Recent forecasts have shown increases in the City's wholesale water rates over the next five years as it begins construction on the Bull Run Filtration Facility.

The District currently has a 20-year water system master plan, updated in 2014, which serves as its planning document to ensure that facilities, equipment, and infrastructure are well maintained and operating in peak condition. Since the current master plan is now over ten years old and did not include a seismic study for earthquake resiliency, which is required under current law, the District is currently conducting a new 20-year water system master plan to be completed by the fiscal year ending June 30, 2025. This new master plan is being developed with a team comprised of District staff and professionals in engineering and finance. Replacement of infrastructure is identified and rated by importance relative to critical District operations. This new master plan will be used to plan for future capital improvement projects undertaken by the District.

To meet increased purchased water costs as well as fund future capital improvement projects the District anticipates that it will be required to increase customer rates correspondingly. The District is currently performing a water rate study to determine how best to allocate anticipated increasing costs to District customers so that sufficient revenue is generated to cover increasing operating costs as well as fund future infrastructure repairs and replacements.

The District has no immediate plans for long-term borrowing. However, more than likely, the District will need to borrow funds to replace the 2.25 MG concrete reservoir with a new 3.0 MG earthquake resilient reservoir within the next five years. Current financial plans continue to include annual contributions into the Capital Improvement Reserve Fund which are utilized for pipe replacement projects on a pay-as-you-go basis.

The District ended the fiscal year 2024 with a strong financial position with combined cash reserves of \$6.4 million. Further information regarding the District's financial condition can be found in the Management Discussion and Analysis section beginning on page 13.

### **Financial Policies**

The District's Commissioners and staff have a responsibility to protect District assets from fraud. With a small finance staff, the District has addressed the limited separation of duties, a leading fraud prevention measure. The District maintains a system of internal accounting controls that is reviewed annually by management. The controls are designed to safeguard District assets and ensure accurate recording of transactions. District controls include review by the District's Commissioners and General Manager of monthly bank reconciliations, financial reports, and other District business as necessary as well as oversight of the annual budget process.

To The Board of Commissioners and the  
Customers of West Slope Water District  
October 22, 2024

---

Consistent with the Government Finance Officers Association (GFOA) best practice, the District maintains General Fund reserves equal to at least three months of General Fund operating expenses.

Capital projects are primarily pre-funded via budgeted accumulations of transfers from the General Fund into the Capital Improvement Reserve Fund.

Equipment replacement costs are primarily pre-funded via budgeted transfers from the General Fund into the Equipment Reserve Fund based on equipment and vehicle replacement schedules.

Funds received from system development charges (SDC) will be utilized when available to make debt service payments on outstanding bonds whose proceeds were utilized for capital improvements.

Cash and cash equivalents include amounts held in the District's demand deposit accounts (DDA) plus amounts held in the Local Government Investment Pool (LGIP).

### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to West Slope Water District for its annual comprehensive financial report for the fiscal year ended June 30, 2023. This was the eighteenth year the District has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement program's requirements and staff will be submitting it to the GFOA to determine its eligibility for another certificate.

### **Acknowledgements**

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire District staff. We wish to express our appreciation to all members of the District staff who assisted and contributed to the timely completion of this report.

Credit also must be given to the Board of Commissioners for their support in maintaining high standards of professionalism in the management of the District finances. Their guidance and leadership are of invaluable service to the financial management and stability of the District.

Respectfully Submitted,



Michael W. Grimm, P.E.  
General Manager



Wendy K. Irwin, CPA  
Finance Manager

Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**West Slope Water District  
Oregon**

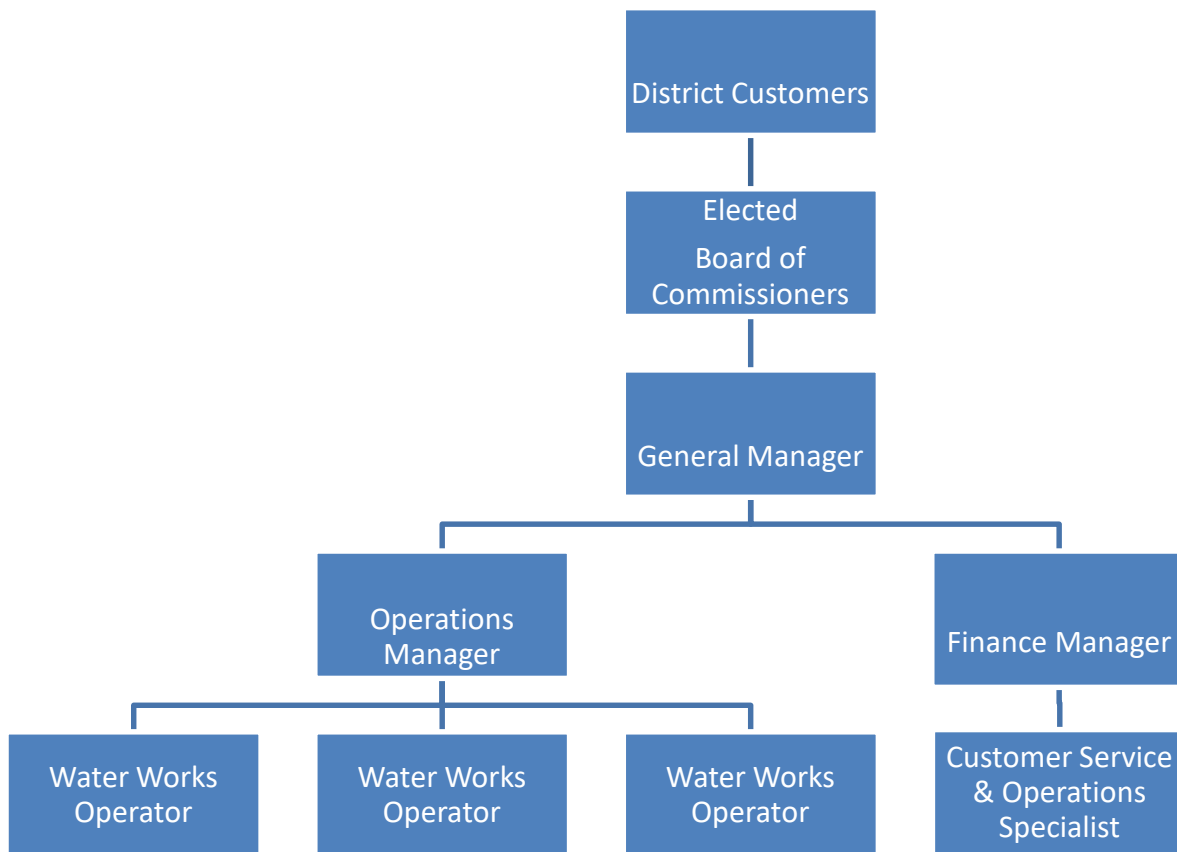
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morill*

Executive Director/CEO

### West Slope Water District Organization Structure



**WEST SLOPE WATER DISTRICT**  
**BOARD OF COMMISSIONERS**  
June 30, 2024

---

<u>Board of Commissioners</u>	<u>Term Expires</u>
Susan Meamber, Chair	June 30, 2025
Ramesh Krishnamurthy, Treasurer	June 30, 2025
Andrew Smith, Secretary	June 30, 2027
Paul Schuler	June 30, 2025
Chris Eppler	June 30, 2027

Commissioners may be contacted at the address(s) below.


Registered Agent  
Michael W. Grimm, P.E.

In Person  
3105 SW 89<sup>th</sup> Avenue  
Portland, Oregon 97225

Via US Mail  
P.O. Box 25140  
Portland, Oregon 97298

Via Email: [customer.service@wswd.org](mailto:customer.service@wswd.org).

Via voice message: 503-292-2777



**West Slope**  
**Water District**

**FINANCIAL**  
**SECTION**



GROVE, MUELLER & SWANK

redw  
Advisors & CPAs

**INDEPENDENT AUDITOR'S REPORT**

Board of Commissioners  
West Slope Water District  
Portland, Oregon

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the financial statements of the business-type activity of West Slope Water District (the "District"), 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 present fairly, in all material respects, the respective financial position of the business-type activities of the District as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flow thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***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 the 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.

***Other Matter – Auditor's Report on the June 30, 2023 Financial Statements***

The financial statements as of and for the year ended June 30, 2023, were audited by Grove, Mueller & Swank, P.C., whose shareholders, and professional staff joined REDWLLC as of November 30, 2023, and has substantially ceased operations. Grove, Mueller & Swank, P.C. expressed an unmodified opinion on those statements in their report dated November 9, 2023.

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

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.



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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A), the schedule of changes in total liability and related ratios other post-employment benefits (OPEB), the schedule of the District's proportionate share of the net pension liability (asset) – (OPERS), and the schedule of the District's OPERS contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

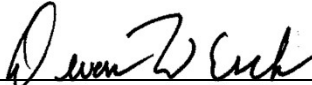
The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic 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 other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information Included in the Annual Comprehensive Financial Report (ACFR)***

Management is responsible for the other information included in the ACFR. The other information comprises the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Minimum Standards for Audits of Oregon Municipal Corporations***

In accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, we have issued our report dated October 22, 2024, on our consideration of the District's 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.

By:   
Devan W. Esch, Principal  
October 22, 2024

The management of West Slope Water District (the District) offers the readers this narrative overview and analysis of the financial activities of the District for the fiscal years ended June 30, 2024 and 2023. We encourage readers to consider the information presented here in conjunction with the additional information provided in our letter of transmittal and the accompanying financial statements.

### **Financial Highlights**

- Cash and cash equivalents including restricted cash at year end FY 2024 totaled \$6.4M, a decrease of \$1.3M from the previous year, due to funds expended for the Beaverton-Hillsdale pipe replacement project.
- Accounts receivable, net of allowance at year end FY 2024 totaled \$658K, an increase of \$36K from the previous year, due to slightly higher past due accounts in water receivables and higher City of Beaverton underconsumption receivable at year end.
- Accounts payable and accrued payroll liabilities at year end FY 2024 totaled \$704K, an increase of \$116K from the previous year, due to higher payables related to the completion of the Beaverton-Hillsdale pipe replacement project due at year end.
- Long-term debt at year end FY 2024 totaled \$1.3M, a decrease of \$302K from the previous year, due to the annual payment of outstanding principle on revenue bonds and no new debt being issued.
- Revenue from water sales increased by \$195K in fiscal year ended FY 2024 from FY 2023 primarily due to water rate increases charged to customers.
- Expenses for purchased water increased by \$291K in fiscal year ended FY 2024 from FY 2023 due to an increase in the wholesale rate charged by the City of Portland.
- Net position at year end FY 2024 totaled \$17.2M, an increase of \$1.8M million from the previous year.

### **Overview of the Financial Statements**

The discussion and analysis are intended to serve as an introduction to the West Slope Water District's basic financial statements. The District is a self-supporting entity and follows enterprise fund reporting. Accordingly, the financial statements are presented using the economic resources measurement focus and accrual basis of accounting. The District's basic financial statements are comprised of four components as noted below. This report also contains supplementary information intended to furnish additional detail to support the basic financial statements.

#### *Statement of Net Position*

This statement presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the four 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.

#### *Statement of Activities*

This statement 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 underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

**WEST SLOPE WATER DISTRICT**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
June 30, 2024 and 2023

---

*Statement of Cash Flows*

This statement shows the sources and uses of cash. It details cash flows from operating activities, capital and related financing activities, and investing activities.

*Notes to Basic Financial Statements*

Beginning on page 31, the notes provide additional information essential to a full understanding of the data provided in the financial statements.

**Financial Analysis**

Net Position

As noted earlier, net position can serve as a useful indicator of the District's financial position. As shown below in Table 1, the District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$17.2M at the close of FY 2024, \$15.5M at the close of FY 2023, and \$13.4M at the close of FY 2022. Over the last several years, the District's net position at year end has continued to increase.

Also as shown below, the largest portion of the District's net position reflects the investment in capital assets (e.g., pipelines, meters, valves, reservoirs, land, buildings, and equipment) less any related outstanding debt that was used to acquire those assets. The District uses these assets to provide water services to ratepayers; consequently, these assets are not available for future spending. In contrast, the amount included as unrestricted in the District's net position is available for future expenditures.

**Table 1**  
**Net Position**  
**FY 2024 – FY 2022**

	<u>2024</u>	<u>2023</u>	<u>Difference 2024-2023</u>	<u>Percent Change</u>	<u>2022</u>
Current assets	\$ 7,099,985	\$ 8,402,025	\$ (1,302,040)	-15.5%	\$ 6,651,015
Other noncurrent assets	27,741	16,907	10,834	64.1%	27,903
Capital assets, net	<u>13,135,899</u>	<u>10,327,034</u>	<u>2,808,865</u>	27.2%	<u>9,907,817</u>
<b>Total assets</b>	20,263,625	18,745,966	1,517,659	8.1%	16,586,735
Deferred outflows of resources	<u>328,861</u>	<u>323,702</u>	5,159	1.6%	<u>440,316</u>
<b>Total assets and deferred outflows of resources</b>	<u>\$ 20,592,486</u>	<u>\$ 19,069,668</u>	<u>\$ 1,522,818</u>	8.0%	<u>\$ 17,027,051</u>
Current liabilities	\$ 1,135,604	\$ 1,003,349	\$ 132,255	13.2%	\$ 596,938
Noncurrent liabilities	<u>1,928,823</u>	<u>2,153,692</u>	<u>(224,869)</u>	-10.4%	<u>2,342,437</u>
<b>Total liabilities</b>	3,064,427	3,157,041	(92,614)	-2.9%	2,939,375
Deferred inflows of resources	<u>285,444</u>	<u>433,242</u>	<u>(147,798)</u>	-34.1%	<u>661,473</u>
<b>Total liabilities and deferred inflows of resources</b>	<u>3,349,871</u>	<u>3,590,283</u>	<u>(240,412)</u>	-6.7%	<u>3,600,848</u>
Net investment in capital assets	11,365,277	8,626,920	2,738,357	31.7%	7,984,304
Restricted	27,741	16,907	10,834	64.1%	27,903
Unrestricted	<u>5,849,597</u>	<u>6,835,558</u>	<u>(985,961)</u>	-14.4%	<u>5,413,996</u>
<b>Total net position</b>	<u>17,242,615</u>	<u>15,479,385</u>	<u>1,763,230</u>	11.4%	<u>13,426,203</u>
<b>Total liabilities, deferred inflows of resources and net position</b>	<u>\$ 20,592,486</u>	<u>\$ 19,069,668</u>	<u>\$ 1,522,818</u>	8.0%	<u>\$ 17,027,051</u>

**WEST SLOPE WATER DISTRICT**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
June 30, 2024 and 2023

Change in Net Position

As shown below in Table 2, the District's change in net position for FY 2024 was \$1.8M with a decrease of \$290K or 14% over FY 2023. Increases in net position from year-to-year result from water revenue that exceed operating expenses. In FY 2024 all four categories of operating expenses increased over the previous year, led by a 29% increase in the wholesale water rate charged by the City of Portland, thereby reducing the net operating income from the previous year. Details of the changes in net position are described in the following pages.

The change in net position for FY 2023 was \$2.1M with an increase of \$760K or 59% over FY 2022. In FY 2023 the increase in net position resulted not only from increased net operating income but also from higher non-operating revenues of interest income.

**Table 2**  
**Change in Net Position**  
**FY 2024 – FY 2022**

	<u>2024</u>	<u>2023</u>	<u>Difference 2024-2023</u>	<u>Percent Change</u>	<u>2022</u>
<b>OPERATING REVENUES</b>					
Sale of water	\$ 4,782,873	\$ 4,588,104	\$ 194,769	4.2%	\$ 3,923,266
Other operating revenue	104,434	92,770	11,664	12.6%	92,098
Total operating revenues	<u>4,887,307</u>	<u>4,680,874</u>	<u>206,433</u>	<u>4.4%</u>	<u>4,015,364</u>
<b>OPERATING EXPENSES</b>					
Water purchased	1,296,906	1,005,579	291,327	29.0%	1,053,177
Personnel services	1,077,144	857,942	219,202	25.5%	819,111
Maintenance and repairs	241,043	176,383	64,660	36.7%	145,439
Depreciation and amortization	457,989	435,370	22,619	5.2%	414,347
General and administrative	254,706	229,955	24,751	10.8%	182,331
Beaverton right of way fees	59,575	56,381	3,194	5.7%	50,389
Total operating expenses	<u>3,387,363</u>	<u>2,761,610</u>	<u>625,753</u>	<u>22.7%</u>	<u>2,664,794</u>
Operating income	1,499,944	1,919,264	(419,320)	-21.8%	1,350,570
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Interest income	311,133	184,699	126,434	68.5%	27,619
Interest expense	(56,006)	(63,795)	7,789	-12.2%	(74,302)
Loss on disposition of assets	(1,689)	(6,864)	5,175	-75.4%	(20,210)
Net non-operating revenues (expenses)	<u>253,438</u>	<u>114,040</u>	<u>139,398</u>	<u>122.2%</u>	<u>(66,893)</u>
Excess before capital contributions	1,753,382	2,033,304	(279,922)	-13.8%	1,283,677
<b>CAPITAL CONTRIBUTIONS</b>	<u>9,848</u>	<u>19,878</u>	<u>(10,030)</u>	<u>-50.5%</u>	<u>9,957</u>
<b>CHANGE IN NET POSITION</b>	<u>1,763,230</u>	<u>2,053,182</u>	<u>(289,952)</u>	<u>-14.1%</u>	<u>1,293,634</u>
<b>NET POSITION, Beginning of Year</b>	<u>15,479,385</u>	<u>13,426,203</u>	<u>2,053,182</u>	<u>15.3%</u>	<u>12,132,569</u>
<b>NET POSITION, End of Year</b>	<u>\$ 17,242,615</u>	<u>\$ 15,479,385</u>	<u>\$ 1,763,230</u>	<u>11.4%</u>	<u>\$ 13,426,203</u>

Net Operating Income

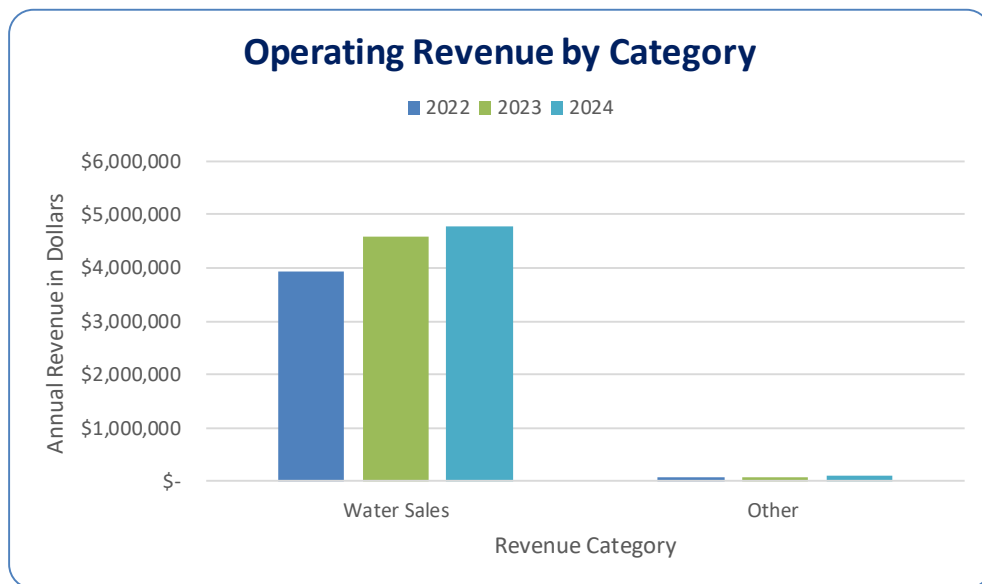
The District generated \$1.5M of net operating income in FY 2024, which is a decrease of \$419K or 22% less than the operating income generated in FY 2023. The District generated \$1.9M of net operating income in FY 2023, which is an increase of \$569K or 42% more than the operating income generated in FY 2022. The following pages provide explanations of these changes.

Operating Revenues

Figure 1 below compares operating revenues over the last three years by category. The District’s total operating revenues for FY 2024 increased by \$206K or 4% over the previous year. Water sales are higher due to increased water rates offset by overall lower water usage for the fiscal year as compared to the previous year. For FY 2024, rates increased 14% for water consumption and 3.5% for the flat rate meter charge while water billed decreased by approximately 35,000 CCF’s or 7% between the two years. Amounts included in other operating revenue are penalty fees, right of way fees collected from City of Beaverton customers, and debt reimbursement income per the City of Beaverton IGA. These amounts included in other operating revenue remained relatively consistent from FY 2023 to FY 2024, with the primary increase in penalties collected of \$8K.

The District’s total operating revenues for FY 2023 increased by \$666K or 17% more than FY 2022. The increase is from higher water sales in May and June due to hotter weather resulting in increased irrigation use by customers. In addition, for FY 2023, rates increased 10% for water consumption and 6% for the flat rate meter charge adding to the higher revenue. The amounts included in other operating revenue remained relatively consistent from FY 2022 to FY 2023, except for penalties collected and right-of-way fees which increases were offset by decreases in service installation and modification revenue.

**Figure 1**  
**FY 2022 – FY 2024**



### Operating Expenses

Figure 2 on the next page compares operating expenses by category over the past three years. Water purchased by the District is the largest single operating expense, followed by personnel services which includes salaries/wages, benefits, retirement contributions, and payroll taxes.

The District's total operating expenses for FY 2024 increased by \$626K or 23% from FY 2023. This increase in operating expenses is due to increases in all categories with the largest increases in water purchased, personnel services, and maintenance and repairs.

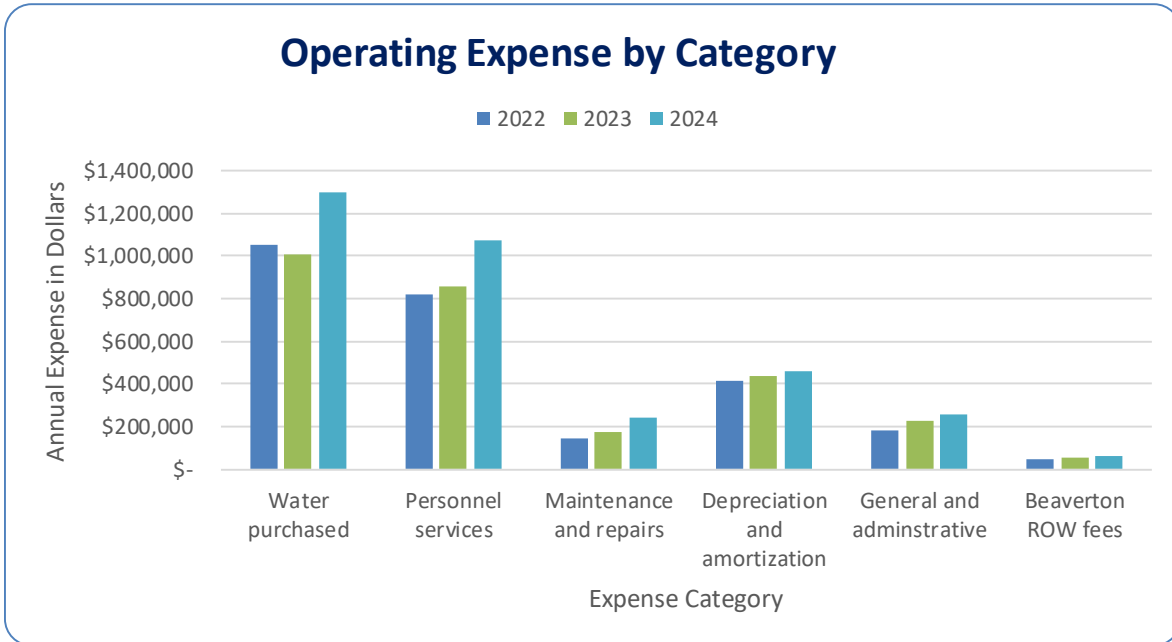
The cost of purchased water increased by \$291K or 29% in FY 2024 from the previous year. This was due to an increase in the per unit wholesale water rate charged by the City of Portland (City) from \$1.473 in FY 2023 to \$1.892 in FY 2024, while the guaranteed minimum purchase of units remained the same. For fiscal years ending 2023, 2022 and 2021, the wholesale water rate charged by the City declined due to decreases in the City's rate base for wholesale water customers, which includes capital expenditures taken on by the City. However, the wholesale rates are now forecasted to increase over the next several years as the City begins construction on the Bull Run Water Filtration Project.

In addition to increased purchased water costs, in FY 2024 personnel services increased by \$219K or 26% from the previous year due to a 7.2% cost-of-living adjustment, merit increases for certifications, and increased health benefit costs, as well as the full year's cost of an additional water worker hired in April 2023 after the position was vacant for a couple of years. Maintenance and repair expenses increased by \$65K or 37% in FY 2024 from the previous year due to increased costs including \$60K for 5-year valve maintenance expense and paving costs for the shop/office yard. Increase in general and administrative expenses of \$25K or 11% in FY 2024 included higher online payment portal fees and premium increases on general liability insurance.

The District's total operating expenses for FY 2023 increased by \$97K or 4% from FY 2022. This small increase in operating expenses is due to increased operating expenses offset by a decrease in purchased water costs. Personnel services increased by \$39K or 5% in FY 2023 from the previous year due to a cost-of-living adjustment and rate increase for health benefits. Maintenance and repair expenses increased by \$31K or 21% in FY 2023 from the previous year due to increased costs related to main break repairs. General and administrative expenses increased by \$48K or 26% in FY 2023 from the previous year due to technology upgrades, merchant fees, and staff development. Depreciation and amortization expense increased by \$21K or 5% in FY 2023 from the previous year due to additional amortization expense related to implementation of *GASB Statement 96, Subscription-Based Information Technology Agreements* (SBITA), which required recording a right-to-use asset and then amortizing the asset over the useful life or contract period.

While other operating expenses increased in FY 2023, the cost of purchased water decreased by \$48K or 5% from the previous year. This was due to a decrease in the per unit wholesale water rate charged by the City from \$1.542 in FY 2022 to \$1.473 in FY 2023, or 5%, while the guaranteed minimum purchase of units remained the same.

**Figure 2**  
**FY 2022 – FY 2024**



**Non-operating Revenues (Expenses)**

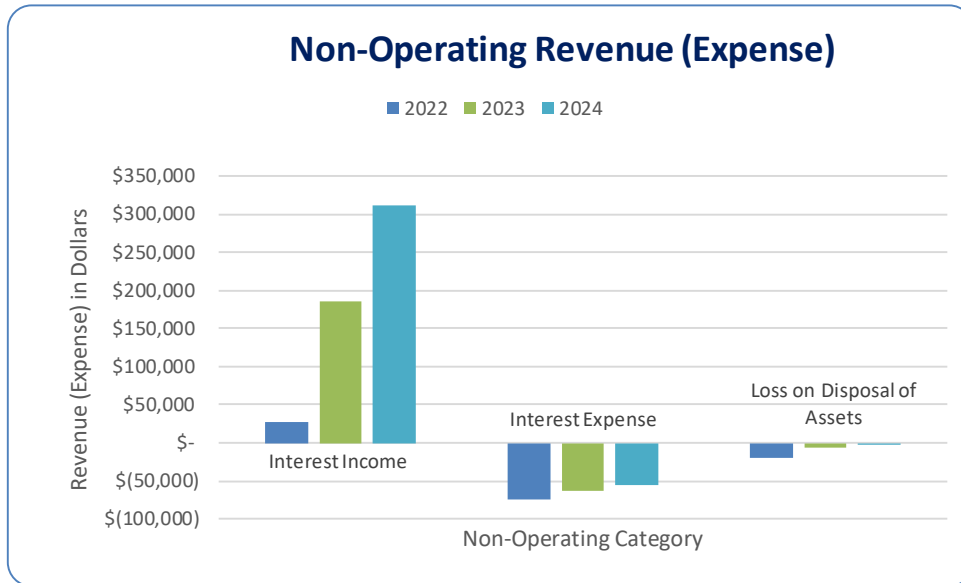
Included in non-operating revenues and expenses are interest income and interest expense in addition to the gain (loss) on disposition of capital assets. Figure 3 on the next page compares interest income and interest expense over the past three years.

The District’s total net non-operating revenues and expenses for FY 2024 increased by \$139K or 122% from FY 2023. This was primarily due to increased interest income earned as interest rates continue to rise and additional interest is earned on reserve funds. The higher interest income is offset by lower interest expense as outstanding debt decreases. The loss on disposition of capital assets also decreased in FY 2024 as fewer radio read meters were replaced than the preceding year.

The District’s total net non-operating revenues and expenses for FY 2023 increased by \$181K or 271% from FY 2022. As noted above, this was primarily due to increased revenue from higher interest rates earned on reserve funds as well as less interest expense as outstanding debt decreases. The loss on disposition of capital assets also decreased in FY 2023 as fewer radio read meters were replaced.



**Figure 3**  
**FY 2022 – FY 2024**



**Total Revenues and Expenses**

In Table 3 below, the District’s total revenues and expenses are summarized and the resulting net changes in position are compared for the past three years. Detailed description of the changes from year to year is discussed in the previous pages.

For FY 2024, total revenues increased by \$328K or 8% and total expenses increased by \$618K or 23% from the preceding year. In FY 2023, total revenues increased by \$846K or 21% and total expenses increased by \$86K or 3% from the preceding year.

**Table 3**  
**Total Revenues and Total Expenses**  
**FY 2024 – FY 2022**

	<b>2024</b>	<b>2023</b>	<b>Difference 2024-2023</b>	<b>Percent Change</b>	<b>2022</b>
Operating revenues	4,887,307	\$ 4,680,874	\$ 206,433	5.1%	\$ 4,015,364
Non-operating revenues	309,444	177,835	131,609	1776.3%	7,409
Capital contributions	9,848	19,878	(10,030)	-100.7%	9,957
<b>Total revenues</b>	<b>5,206,599</b>	<b>4,878,587</b>	<b>328,012</b>	<b>8.1%</b>	<b>4,032,730</b>
Operating expenses	3,387,363	2,761,610	625,753	23.5%	2,664,794
Non-operating expenses	56,006	63,795	(7,789)	-10.5%	74,302
<b>Total expenses</b>	<b>3,443,369</b>	<b>2,825,405</b>	<b>617,964</b>	<b>22.6%</b>	<b>2,739,096</b>
<b>Change in net position</b>	<b>\$ 1,763,230</b>	<b>\$ 2,053,182</b>	<b>\$ (289,952)</b>	<b>-22.4%</b>	<b>\$ 1,293,634</b>

**WEST SLOPE WATER DISTRICT**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
June 30, 2024 and 2023

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Capital Assets Activity

As shown in Table 4 below, the District's capital assets, net of depreciation and amortization, on June 30, 2024, were \$13.1M. The total increase in the District's net capital assets for FY 2024 was \$2.8M or 27% from FY 2023.

**Table 4**  
**Capital Assets, Net**  
**FY 2024 - FY 2022**

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Capital assets, nondepreciable			
Land	\$ 44,724	\$ 44,724	\$ 44,724
Projects in progress	111,669	912,724	220,297
<b>Total nondepreciable assets</b>	<u>156,393</u>	<u>957,448</u>	<u>265,021</u>
Capital assets, net of depreciation			
Buildings and improvements	152,241	165,198	164,441
Water systems	12,295,212	8,599,921	8,929,485
Equipment and software	487,066	532,204	548,870
<b>Total depreciable assets, net</b>	<u>12,934,519</u>	<u>9,297,323</u>	<u>9,642,796</u>
<b>Subtotal</b>	<u>13,090,912</u>	<u>10,254,771</u>	<u>9,907,817</u>
Right-to-use assets, net of amortization			
Lease asset	18,925	23,862	-
Subscription asset	26,062	48,401	-
<b>Total right-to-use assets, net</b>	<u>44,987</u>	<u>72,263</u>	<u>-</u>
<b>Total</b>	<u>\$ 13,135,899</u>	<u>\$ 10,327,034</u>	<u>\$ 9,907,817</u>

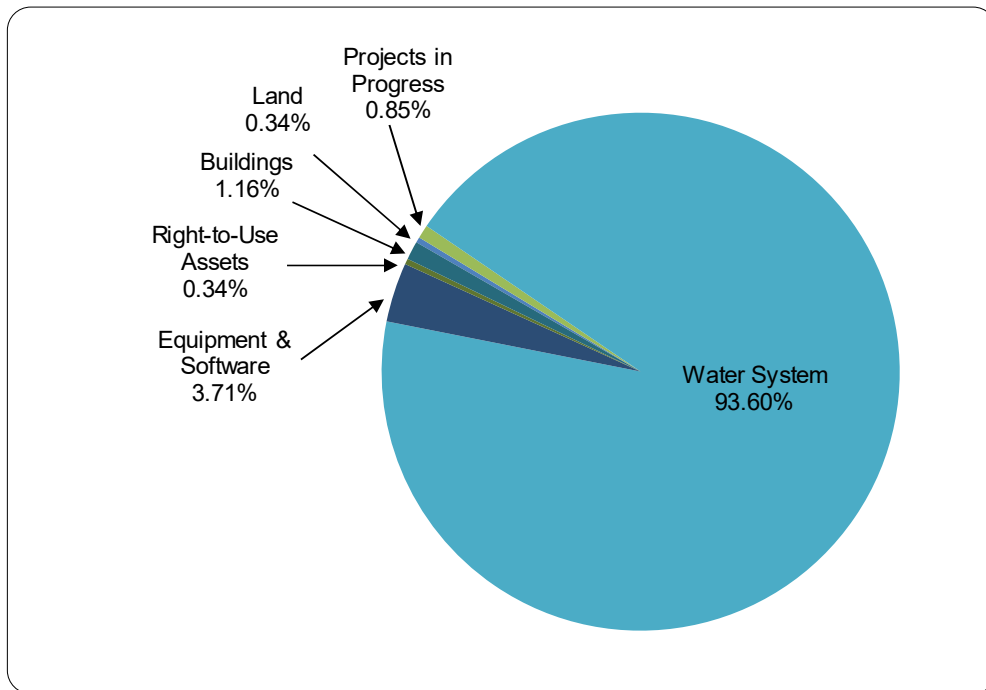
Capital asset purchases for FY 2024 totaled \$3.2M and included the following:

- \$8K for replacement of failed radio read meters;
- \$10K for a new chlorine/turbidity analyzer at reservoir;
- \$8K for transition of the computer server from in-house to cloud;
- \$3.1M for the Beaverton-Hillsdale main line replacement project, substantially completed in FY 2024;
- \$49K for the Garden View pipe replacement engineering, project in progress; and
- \$63K for the Master Plan/Rate Study, project in progress.

For the fiscal years ended 2024 and 2023, depreciation and amortization expense was \$458K and \$435, respectively. Additional information on the District's capital assets can be found in the *Notes to the Financial Statements* beginning on page 37.

Figure 4 below shows the District’s net capital asset categories and their percentage of the total net asset value at June 30, 2024.

**Figure 4**  
**Distribution of Capital Assets**  
**FY 2024**



Long-Term Debt Activity

At the end of FY 2024, the District had total outstanding long-term debt of \$1.4M as shown in Table 5 below.

**Table 5**  
**Outstanding Long-Term Debt**  
**FY 2024– FY 2022**

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Water revenue bonds			
Principal outstanding	\$ 1,320,000	\$ 1,620,000	\$ 1,910,000
Bond premiums	8,743	11,129	13,513
	<u>1,328,743</u>	<u>1,631,129</u>	<u>1,923,513</u>
Right-to-use liabilities			
Lease liability	19,463	23,957	-
Subscription liability	23,976	45,028	-
	<u>43,439</u>	<u>68,985</u>	<u>-</u>
	<u>\$ 1,372,182</u>	<u>\$ 1,700,114</u>	<u>\$ 1,923,513</u>

*Water Revenue Bonds*

The 20-year water revenue bonds were issued in 2008 for \$5M to finance the construction of water system improvements and to pay costs of issuance of the bonds. The bonds mature in 2028 and have an interest rate of 3.5 to 4 percent. The District's bond rating by Moody's Global Rating Scale is Aa3. The rating reflects the District's very strong debt service coverage and liquidity levels.

Historically as funds are available, the District has paid one bond interest payment from the SDC fund. The revenues from SDC's are statutorily restricted to be used for purchase or construction of new or expansion of existing facilities, improvements, and land within the District. This does not change how the District calculates debt coverage and related debt covenants.

*Lease Liability*

During FY 2023, the District entered into a 60-month lease for the right-to-use office copier/printer equipment. Amounts were recorded in the financial statements per GASB Statement 87, *Leases*, which requires both a lease liability and a right-to-use lease asset to be recognized on the statement of net position at the net present value of lease payments, if the term of the lease is greater than one year. In FY 2024, the District did not enter into any additional leases that were required to be recognized in the financial statements under GASB 87.

*Subscription Liability*

During FY 2023, the District entered into a 3-year agreement for the right-to-use subscription-based accounting and billing software. As required by GASB Statement 96, *Subscription-Based Information Technology Arrangements*, both a subscription liability and right-to-use subscription asset were recognized on the statement of net position at the net present value of contract payments, since the term was greater than one year. In FY 2024, the District did not enter into any additional subscription-based arrangements that were required to be recognized in the financial statements under GASB 96.

Further information about long-term debt is included in the *Notes to the Financial Statement* on pages 38-41 and the *Statistical Section* on page 86.

**Economic Factors and Next Year's Budget**

The District prepares an annual budget for operating, capital, and debt service costs by fund using the modified accrual basis of accounting. The FY 2025 total adopted budget was \$14,062,000, which was an increase of \$236,000 or 1.7% from the FY 2024 total adopted budget.

For FY 2025, revenues are projected to increase by 6.7% primarily due to water rate increases and interest income earned on reserve accounts. Operating expenses are expected to increase by 3.9% due to higher wages and benefit costs associated with personnel services and a higher wholesale water rate charged by the City of Portland for purchased water. The FY 2025 capital outlay budget has decreased from the previous year since the Beaverton Hillsdale Highway pipe replacement project is now substantially complete. Capital outlay for FY 2025 includes the Garden View pipe replacement and the master plan/rate study projects as well as replacement of a utility vehicle. As in previous years, the District will continue to set aside net revenues for future infrastructure repairs and replacements.

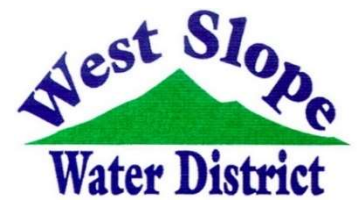
Staff and the Board of Commissioners review water rates annually. The Board of Commissioners held a rate hearing on June 26, 2024, and adopted Resolution 05-2024, which increased the consumption rate by 6% and the flat monthly meter rate by 3%, effective July 1, 2024.

Management is unaware of any conditions not disclosed in this report that would have a significant impact on the District's financial position (net position) or operating results.

**Requests for Information**

The financial report is designed to provide a general overview of West Slope Water District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Manager, West Slope Water District, PO Box 25140, Portland, Oregon 97298, or [wirwin@swd.org](mailto:wirwin@swd.org). The District's phone number is 503-292-2777.

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# **BASIC FINANCIAL STATEMENTS**

**WEST SLOPE WATER DISTRICT**  
**STATEMENTS OF NET POSITION**  
June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 6,355,103	\$ 7,684,359
Accounts receivable, net of allowance	658,192	621,532
Prepaid expenses	41,457	49,750
Inventory	45,233	46,384
Total current assets	<u>7,099,985</u>	<u>8,402,025</u>
<b>Noncurrent assets</b>		
Restricted cash	27,741	16,907
Capital assets, nondepreciable	156,393	957,448
Capital assets, net of depreciation	12,934,519	9,297,323
Lease asset, net of amortization	18,925	23,862
Subscription asset, net of amortization	26,062	48,401
Total noncurrent assets	<u>13,163,640</u>	<u>10,343,941</u>
Total assets	<u>20,263,625</u>	<u>18,745,966</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Other post employment benefits	5,007	6,233
Pension	323,854	317,469
Total deferred outflows of resources	<u>328,861</u>	<u>323,702</u>
Total assets and deferred outflows of resources	<u>\$ 20,592,486</u>	<u>\$ 19,069,668</u>

Continued on next page.

The accompanying notes are an integral part of the basic financial statements.



**WEST SLOPE WATER DISTRICT**  
**STATEMENTS OF NET POSITION**  
June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 627,426	\$ 517,722
Accrued payroll liabilities	76,710	69,675
Customer deposits	16,900	21,200
Interest payable	13,001	15,814
Current portion of compensated absences	60,483	51,007
Current portion of bonds payable	312,384	302,385
Current portion of lease liability	4,724	4,494
Current portion of subscription liability	23,976	21,052
	<u>1,135,604</u>	<u>1,003,349</u>
<b>Noncurrent liabilities</b>		
Other post employment benefits	38,158	52,644
Compensated absences	17,360	-
Net pension liability	842,207	728,865
Bonds payable	1,016,359	1,328,744
Lease liability	14,739	19,463
Subscription liability	-	23,976
	<u>1,928,823</u>	<u>2,153,692</u>
Total noncurrent liabilities	1,928,823	2,153,692
Total liabilities	3,064,427	3,157,041
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Other post employment benefits	70,401	56,200
Pension	215,043	377,042
	<u>285,444</u>	<u>433,242</u>
Total deferred inflows of resources	285,444	433,242
<b>NET POSITION</b>		
Net investment in capital assets	11,365,277	8,626,920
Restricted	27,741	16,907
Unrestricted	5,849,597	6,835,558
	<u>17,242,615</u>	<u>15,479,385</u>
Total net position	17,242,615	15,479,385
Total liabilities, deferred inflows of resources and net position	<u>\$ 20,592,486</u>	<u>\$ 19,069,668</u>

Continued from previous page.

The accompanying notes are an integral part of the basic financial statements.

**WEST SLOPE WATER DISTRICT**  
**STATEMENTS OF ACTIVITIES**  
For the Fiscal Years Ended June 30, 2024 and 2023

	<b>2024</b>	<b>2023</b>
<b>OPERATING REVENUES</b>		
Sale of water	\$ 4,782,873	\$ 4,588,104
Service installations and modifications	7,229	3,818
Penalties	17,260	9,170
Miscellaneous	4,941	7,805
Beaverton debt reimbursement	15,606	15,652
Beaverton right of way fees	59,398	56,325
Total operating revenues	<u>4,887,307</u>	<u>4,680,874</u>
<b>OPERATING EXPENSES</b>		
Water purchased	1,296,906	1,005,579
Personnel services	1,077,144	857,942
Maintenance and repairs	241,043	176,383
Depreciation and amortization	457,989	435,370
General and administrative	254,706	229,955
Beaverton right of way fees	59,575	56,381
Total operating expenses	<u>3,387,363</u>	<u>2,761,610</u>
Operating income	1,499,944	1,919,264
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Interest income	311,133	184,699
Interest expense	(56,006)	(63,795)
Loss on disposition of assets	(1,689)	(6,864)
Net non-operating revenues (expenses)	<u>253,438</u>	<u>114,040</u>
<b>CAPITAL CONTRIBUTIONS</b>		
System development charges	<u>9,848</u>	<u>19,878</u>
<b>CHANGE IN NET POSITION</b>	1,763,230	2,053,182
<b>NET POSITION, Beginning of Year</b>	<u>15,479,385</u>	<u>13,426,203</u>
<b>NET POSITION, End of Year</b>	<u>\$ 17,242,615</u>	<u>\$ 15,479,385</u>

The accompanying notes are an integral part of the basic financial statements.

**WEST SLOPE WATER DISTRICT**  
**STATEMENTS OF CASH FLOWS**  
For the Fiscal Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Received from customers	\$ 4,846,347	\$ 4,486,751
Payments to employees	(1,097,374)	(890,495)
Payments to suppliers for goods and services	(1,733,082)	(1,104,509)
	<u>2,015,891</u>	<u>2,491,747</u>
Net cash provided by operating activities	2,015,891	2,491,747
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital asset acquisition and construction	(3,268,543)	(769,749)
Lease payments	(4,494)	(728)
Subscription payments	(21,052)	(21,989)
Bond payments	(300,000)	(290,000)
Interest paid on debt	(61,205)	(68,898)
System development charges received	9,848	19,878
	<u>(3,645,446)</u>	<u>(1,131,486)</u>
Net cash used by capital and related financing activities	(3,645,446)	(1,131,486)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	311,133	184,699
	<u>311,133</u>	<u>184,699</u>
Net cash provided by investing activities	311,133	184,699
<b>NET CHANGE IN CASH AND EQUIVALENTS</b>	(1,318,422)	1,544,960
<b>CASH AND INVESTMENTS, Beginning of Year</b>	7,701,266	6,156,306
<b>CASH AND INVESTMENTS, End of Year</b>	<u>\$ 6,382,844</u>	<u>\$ 7,701,266</u>
<b>STATEMENT OF NET POSITION ACCOUNTS</b>		
Cash and cash equivalents	\$ 6,355,103	\$ 7,684,359
Restricted cash	27,741	16,907
	<u>\$ 6,382,844</u>	<u>\$ 7,701,266</u>

Continued on next page.

The accompanying notes are an integral part of the basic financial statements.

**WEST SLOPE WATER DISTRICT**  
**STATEMENTS OF CASH FLOWS**  
For the Fiscal Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating income	\$ 1,499,944	\$ 1,919,264
Adjustments		
Depreciation and amortization	457,989	435,370
<i>(Increase) decrease in:</i>		
Accounts receivable	(36,660)	(199,701)
Prepaid expenses	8,293	6,420
Inventory	1,151	(1,773)
Deferred outflows of resources	(5,159)	116,614
<i>Increase (decrease) in:</i>		
Accounts payable	109,704	359,142
Accrued payroll liabilities	7,035	2,204
Customer deposits	(4,300)	5,578
Compensated absences	26,836	6,660
Net OPEB obligation	(14,486)	(2,804)
Net pension liability	113,342	73,004
Deferred inflows of resources	(147,798)	(228,231)
Net cash provided by operating activities	<u>\$ 2,015,891</u>	<u>\$ 2,491,747</u>
<b>NONCASH INVESTING AND CAPITAL FINANCING ACTIVITIES</b>		
Lease asset and liability	\$ -	\$ 24,685
Subscription asset and liability	\$ -	\$ 67,017

Continued from previous page.

The accompanying notes are an integral part of the basic financial statements.

**NOTE 1 – REPORTING ENTITY**

West Slope Water District is a municipal corporation organized and operating under ORS Chapter 264 for the purpose of providing domestic water service to residential and commercial customers. The District was formed in 1922 and has served its customers in eastern Washington County, Oregon for over 100 years. The District is governed by a five-member Board of Commissioners elected by the voters within the service area boundaries. Day-to-day administrative duties are delegated to the general manager who reports to the Board.

The principal source of revenue is from water sales which are expended primarily for operations and capital improvement projects. The District purchases all of its water supply from the City of Portland which is distributed by gravity fed pipe to customers within the District.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the District have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as applied to government units 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.

*Basis of Presentation and Accounting*

For financial reporting purposes, the District reports on an enterprise fund basis. Enterprise funds, a proprietary fund type, are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operations are included in the *Statement of Net Position*.

The District's financial statements are prepared on the accrual basis of accounting which is in accordance with generally accepted accounting principles (GAAP) in the United States of America as noted above. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when liabilities are incurred, regardless of the timing of the related cash flow.

The District is the primary, special purpose government responsible for providing water service within its boundaries. As a result, all of the District's activities are included in its financial statements. The financial statements represent those of a stand-alone government, as there are no component units or internal service funds.

*Operating and Non-operating Revenues and Expenses*

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with ongoing operations. The District defines operating revenues as all service charges directly attributable to providing water, which include water sales and service charges. Operating expenses include the cost of wholesale water, system operations, general and administrative expenses, and depreciation on capital assets.

All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

*Capital Contributions*

Capital contributions consist primarily of system development charges, contributions by developers for meter and pipe installation, and contributions for easements.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Cash and Cash Equivalents*

For financial reporting purposes, the District’s cash and cash equivalents include cash on hand, demand deposits, and deposits held in the Oregon Local Government Investment Pool (LGIP). Interest earned on cash and cash equivalents is allocated to each fund based on their respective balance.

Cash and cash equivalents are defined as short-term, highly liquid investments that are both:

- a. Readily convertible to known amounts of cash.
- b. So near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

Generally, only investments with original maturities of three months or less meet this definition.

The District follows GASB 72, *Fair Value Measurement and Application*, which requires certain investments to be valued at fair value. The difference between cost and fair value is not material. The District’s investments, authorized under state statutes, are comprised of amounts deposited in the LGIP.

Restricted cash consists of funds restricted by an external party to be used for capital outlay.

*Accounts Receivable*

Water service receivables are for residential and commercial sales. Revenues are recorded when earned with billings to customers prepared once per month. The District accrues estimated revenue for water used by customers, but not yet billed.

Receivables are shown net of an allowance for doubtful accounts. The allowance is reviewed periodically for adequacy using an analysis of the age of accounts outstanding. Management has elected to write off all unpaid balances sent to collections.

*Inventory*

Inventory of materials is stated at cost using the average cost method of accounting and is charged against operations as used.

*Prepaid Expenses*

Prepaid expenses consist of unexpired professional dues and insurance premiums on policies as of June 30, 2024, and are recorded as expense as the term expires.

*Capital Assets*

Capital assets are valued at cost. Water systems acquired before June 30, 1954, are valued at estimated cost as determined by a consulting engineer. Contributed assets are recorded at acquisition value at the time received. The costs of certain water mains and service installations since July 1, 1973, have been financed by contributions from persons requesting the service extensions. Records are not adequate to determine amounts prior to July 1, 1973.

Capital assets are defined by the District as assets with an initial, individual cost of \$5,000 or more, and having a useful life extending beyond a single reporting period. Additions or improvements and other capital outlays that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Capital Assets (continued)*

Depreciation of capital assets have been recognized and reflected in the basic financial statements. Capital assets are depreciated using the straight-line method over the following estimated useful lives.

Asset	Years
Water Systems	50
Buildings and Improvements	39
Equipment and Software	5 - 20

Equipment and software includes heavy and light duty vehicles, water meters, office equipment, computers, and software. Monthly depreciation is taken in the year the assets are acquired or retired. Gains or losses from sales or retirements of capital assets are included in operations of the current period.

*Lease Asset and Liability*

In accordance with *GASB Statement 87, Leases*, the District recognizes a lease liability and an intangible right-to-use lease asset in the financial statements for all leases with a noncancelable term of more than one year. A lease liability is recognized at the net present value of the lease payments expected to be made during the lease term. The lease liability is then reduced by principal payments made over the lease term. The lease asset is measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. The lease asset is amortized on a straight-line basis over the shorter of the lease term or the estimated useful life of the underlying asset.

To determine the rate used to discount the expected lease payments to the present value, the District uses the interest rate charged by the lessor as the discount rate. When the interest charged by the lessor is not provided, the District will generally use its estimated incremental borrowing rate as the discount rate.

*Subscription Asset and Liability*

In accordance with *GASB Statement 96, Subscription-Based Information Technology Arrangements (SBITA)*, the District recognizes a subscription liability and an intangible right-to-use subscription asset in the financial statements for subscription-based contracts with a noncancelable term more than twelve months. A subscription liability is recognized at the net present value of the contract payments expected to be made during the contract term, which is the noncancellable period of the contract. The subscription liability is then reduced by principal payments made over the contract term. The subscription asset is measured as the initial amount of the related liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs. The subscription asset is amortized on a straight-line basis over the contract term.

To determine the rate used to discount the expected contract payments to the present value, the District uses the interest rate charged by the vendor as the discount rate. When the interest charged by the vendor is not known, the District will generally use its estimated incremental borrowing rate as the discount rate.

*Compensated Absences*

The District provides paid vacation for all permanent employees. Vacation is earned at a rate of twelve to thirty days per year depending on length of service. Any unused vacation time is paid out upon termination.

In addition, the District allows all hourly employees to accumulate “comp time” in lieu of receiving overtime pay for any period in which the employee works in excess of their regularly scheduled hours. Eligible employees may use their banked comp time to either take additional paid time off or cash out their comp time in a lump sum. Any unused comp time is paid out upon termination.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Compensated Absences (continued)*

Unused vacation and accumulated comp time along with applicable salary related payments is shown as a current and noncurrent liability for compensated absences on the *Statement of Net Position* and is recorded as an expense when earned.

*Deferred Outflows/Inflows of Resources*

In addition to assets, the *Statement of Net Position* reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense) until that time. The District has two items that qualify for reporting in this category. The *Statement of Net Position* reports one type related to the PERS net pension liability and one type related to OPEB. These amounts are deferred and recognized as an outflow of resources in the period the amounts become available.

In addition to liabilities, the *Statement of Net Position* reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The *Statement of Net Position* reports one type related to the PERS net pension liability and one type related to OPEB. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

*Bond Premiums and Discounts*

Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expense when incurred.

*Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Net Position*

Net position comprises the various net earnings from operations, non-operating revenues, expenses, and contributions of capital. Net position is classified in the following three categories.

- Net investment in capital assets – consists of all capital assets, net of accumulated depreciation and amortization, and reduced by outstanding debt that is attributable to the acquisition, construction, and improvement of those assets.
- Restricted – consists of external constraints placed on net position use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted – consists of the remaining net position that is not included in the other categories previously mentioned.

System development charges (SDC) are the only source of District's restricted funds. They may be used for capital improvement projects or debt service on past capital improvement projects.



**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Budget*

Oregon Budget Law requires annual budgets to be adopted for each of the District’s funds and requires specific procedures to be followed when budgeting, including establishing a budget committee, providing adequate public notices of budget hearings, adopting the budget, and making appropriations. The budget is adopted on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the period they are earned and measurable, expenses are recognized in the period in which the liability was incurred, capital outlay is expensed in the year when purchased so depreciation expense is not recognized, and principal and interest payments on long-term debt are expensed rather than accounted for as a reduction to the liability.

Unexpected additional resources or expenditures may be added to the budget through the use of a supplemental budget, which requires additional procedures outlined in Oregon Budget Law before adoption by the Board of Commissioners. Original and supplemental budgets may be modified using appropriation transfers between budgetary categories upon approval of the Board of Commissioners.

A summary of the District’s annual budget for fiscal year ended June 30, 2024, is included in the Other Supplementary Information section attached to these general purpose financial statements.

**NOTE 3 – CASH AND CASH EQUIVALENTS**

Cash and cash equivalents, recorded at fair value at June 30 consisted of the following:

	<u>2024</u>	<u>2023</u>
Cash on hand	\$ 450	\$ 450
Checking account	611,524	637,190
Payment portal deposit account	32,255	-
Participation in Oregon State Treasurer's Short-Term Investment Fund (LGIP)	5,738,615	7,063,626
	<u>\$ 6,382,844</u>	<u>\$ 7,701,266</u>

Investments included in cash and cash equivalents consisted of funds held in the LGIP at June 30 as follows:

	<u>2024</u>	<u>2023</u>
Weighted Average Maturity (Years)	<u>0.00</u>	<u>0.00</u>
Cost / Fair Value	<u>\$ 5,738,615</u>	<u>\$ 7,063,626</u>

The amounts reported on the *Statement of Net Position* at June 30 are as follows:

	<u>2024</u>	<u>2023</u>
Current Assets:		
Cash and cash equivalents	\$ 6,355,103	\$ 7,684,359
Noncurrent Assets:		
Restricted cash	27,741	16,907
	<u>\$ 6,382,844</u>	<u>\$ 7,701,266</u>

**NOTE 3 – CASH AND CASH EQUIVALENTS (continued)**

*Interest Rate Risk*

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

The weighted average maturity of the State Treasurer’s Local Government Investment Pool (the pool) at June 30, 2024 and 2023, was 109 and 150 days, respectively. The Pool’s investment policy requires that 50% of the portfolio must mature in 93 days. A maximum of 25% of the portfolio may mature over one year, and no investment may mature later than three years from its settlement date.

*Credit Risk*

State statutes allow the District to invest in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers’ acceptances, and the Oregon State Treasury Local Government Investment Pool, among others. The District has no investment policy that would further limit its investment choices.

*Concentration Of Credit Risk*

The District does not currently have an investment policy for concentration of credit risk. As a practice, the District invests excess funds in the Oregon State Local Government Investment Pool (LGIP) as is reasonably prudent while having cash available to meet daily operating needs. The LGIP operates in accordance with appropriate state laws and regulations, but is not regulated by other laws, organizations, or regulations. The reported value of the LGIP is the same as the fair value of LGIP shares. Investments are regulated by the Oregon Short Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). The LGIP is not registered with the SEC as an investment company and is unrated.

*Custodial Credit Risk – Deposits*

This is the risk that in the event of a bank failure, the District’s deposits may not be returned. As of June 30, 2024 and 2023, the book values of the District’s bank deposits in its checking account were \$611,524 and \$637,190 and the bank balances were \$609,528 and \$636,229, respectively. The difference is due to transactions in process. The amount of the bank balance covered by FDIC insurance is \$250,000. As required by Oregon Revised Statutes, deposits more than the federal depository insurance are held at a qualified depository for public funds. All qualified depositories for public funds are included in the multiple financial institution collateral pool that is maintained by and in the name of the Office of the State Treasurer. As a result, the District’s remaining deposits more than FDIC insurance are considered to be fully collateralized.

**NOTE 4 – ACCOUNTS RECEIVABLE**

The District bills its customers for water services on a monthly basis. Accounts receivable are stated at cost and are unsecured. The District’s collection program includes applying service fees to past due accounts, extending payment terms, and if needed, discontinuing water services. Management determines receivables to be past due based on individual circumstances and writes off accounts when they are determined to be uncollectible. During the fiscal years ended June 30, 2024 and 2023, bad debt expense was \$934 and \$1,746, respectively.

Additionally, the District bills the City of Beaverton annually for unclaimed water reimbursement as per the terms of the May 18, 2011, intergovernmental agreement related to the City of Beaverton withdrawal of five percent of the District’s territory.

**WEST SLOPE WATER DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2024 and 2023

**NOTE 4 – ACCOUNTS RECEIVABLE (continued)**

Receivables, net of allowance, at June 30 were as follows:

	<u>2024</u>	<u>2023</u>
Water service receivable	\$ 371,385	\$ 358,854
Allowance for uncollectible accounts	(7,000)	(7,000)
Net water service receivable	<u>364,385</u>	<u>351,854</u>
Unbilled water sales	242,358	239,483
Beaverton unclaimed water reimbursement receivable	51,449	30,195
	<u>\$ 658,192</u>	<u>\$ 621,532</u>

**NOTE 5 – CAPITAL ASSETS**

The changes in capital assets for the year ended June 30, 2024, are summarized below:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers</u>	<u>Deletions</u>	<u>Ending Balance</u>
Nondepreciable assets					
Land	\$ 44,724	\$ -	\$ -	\$ -	\$ 44,724
Projects in progress	912,724	3,242,663	(4,043,718)	-	111,669
Total nondepreciable assets	<u>957,448</u>	<u>3,242,663</u>	<u>(4,043,718)</u>	<u>-</u>	<u>156,393</u>
Depreciable assets					
Buildings and improvements	373,876	-	-	-	373,876
Water systems	15,745,008	-	4,043,718	(9,578)	19,779,148
Equipment and software	1,110,091	25,880	-	(5,631)	1,130,340
Total depreciable assets	<u>17,228,975</u>	<u>25,880</u>	<u>4,043,718</u>	<u>(15,209)</u>	<u>21,283,364</u>
Accumulated depreciation					
Buildings and improvements	(208,678)	(12,957)	-	-	(221,635)
Water systems	(7,145,087)	(348,427)	-	9,578	(7,483,936)
Equipment and software	(577,887)	(69,329)	-	3,942	(643,274)
Total accumulated depreciation	<u>(7,931,652)</u>	<u>(430,713)</u>	<u>-</u>	<u>13,520</u>	<u>(8,348,845)</u>
Depreciable assets, net	<u>9,297,323</u>	<u>(404,833)</u>	<u>4,043,718</u>	<u>(1,689)</u>	<u>12,934,519</u>
Total capital assets, net	<u>\$ 10,254,771</u>	<u>\$ 2,837,830</u>	<u>\$ -</u>	<u>\$ (1,689)</u>	<u>\$ 13,090,912</u>

**WEST SLOPE WATER DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2024 and 2023

**NOTE 5 – CAPITAL ASSETS (continued)**

The changes in capital assets for the year ended June 30, 2023, are summarized below:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers</u>	<u>Deletions</u>	<u>Ending Balance</u>
Nondepreciable assets					
Land	\$ 44,724	\$ -	\$ -	\$ -	\$ 44,724
Projects in progress	220,297	692,427	-	-	912,724
Total nondepreciable assets	<u>265,021</u>	<u>692,427</u>	<u>-</u>	<u>-</u>	<u>957,448</u>
Depreciable assets					
Buildings and improvements	364,724	9,152	-	-	373,876
Water systems	15,745,008	-	-	-	15,745,008
Equipment and software	1,124,730	68,170	-	(82,809)	1,110,091
Total depreciable assets	<u>17,234,462</u>	<u>77,322</u>	<u>-</u>	<u>(82,809)</u>	<u>17,228,975</u>
Accumulated depreciation					
Buildings and improvements	(200,283)	(8,395)	-	-	(208,678)
Water systems	(6,815,523)	(329,564)	-	-	(7,145,087)
Equipment and software	(575,860)	(77,972)	-	75,945	(577,887)
Total accumulated depreciation	<u>(7,591,666)</u>	<u>(415,931)</u>	<u>-</u>	<u>75,945</u>	<u>(7,931,652)</u>
Depreciable assets, net	<u>9,642,796</u>	<u>(338,609)</u>	<u>-</u>	<u>(6,864)</u>	<u>9,297,323</u>
Total capital assets, net	<u>\$ 9,907,817</u>	<u>\$ 353,818</u>	<u>\$ -</u>	<u>\$ (6,864)</u>	<u>\$ 10,254,771</u>

**NOTE 6 – LEASE ASSET AND LIABILITY**

The District entered into a five-year lease agreement for three operating copier/printers, effective April 2023. The current outflow for the lease is \$494 per month with 6 percent annual increases every April. The lease asset is being amortized using the straight-line method over the lease term of five years. An initial lease asset and liability were recorded in the amount of \$24,685, calculated using the District's estimated incremental borrowing rate of 5 percent.

Changes in the lease asset and related accumulated amortization for the year ended June 30, 2024, were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Lease asset	\$ 24,685	\$ -	\$ -	\$ 24,685
Accumulated amortization	(823)	(4,937)	-	(5,760)
Lease asset, net of accumulated amortization	<u>\$ 23,862</u>	<u>\$ (4,937)</u>	<u>\$ -</u>	<u>\$ 18,925</u>

**NOTE 6 – LEASE ASSET AND LIABILITY (continued)**

Changes in the lease asset and related accumulated amortization for the year ended June 30, 2023, were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Lease asset	\$ -	\$ 24,685	\$ -	\$ 24,685
Accumulated amortization	-	(823)	-	(823)
Lease asset, net of accumulated amortization	<u>\$ -</u>	<u>\$ 23,862</u>	<u>\$ -</u>	<u>\$ 23,862</u>

Changes in the lease liability for the year ended June 30, 2024, were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due within one year</u>	<u>Due in More Than one year</u>
Lease Liability	\$ 23,957	\$ -	\$ (4,494)	\$ 19,463	\$ 4,724	\$ 14,739

Changes in the lease liability for the year ended June 30, 2023, were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due within one year</u>	<u>Due in More Than one year</u>
Lease Liability	\$ -	\$ 24,685	\$ (728)	\$ 23,957	\$ 4,494	\$ 19,463

Future minimum payments for the length of the lease are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 4,724	\$ 866	\$ 5,590
2026	4,966	624	5,590
2027	5,220	370	5,590
2028	4,553	105	4,658
	<u>\$ 19,463</u>	<u>\$ 1,965</u>	<u>\$ 21,428</u>

**NOTE 7 – SUBSCRIPTION ASSET AND LIABILITY**

The District entered into a three-year agreement for a subscription-based accounting and utility billing software package, effective August 2022. The current outflow for the subscription is an annual payment of \$23,528 with a 7.0 percent increase for the final remaining payment due in August 2025. The subscription asset is being amortized using the straight-line method over the agreement term of three years. An initial subscription asset and liability were recorded in the amount of \$67,017, calculated using the District’s estimated incremental borrowing rate of 5.5 percent. At the end of the initial term, the subscription converts to a year-to-year basis.

Changes in the subscription asset and related accumulated amortization for the year ended June 30, 2024, were as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
Subscription asset	\$ 67,017	\$ -	\$ -	\$ 67,017
Accumulated amortization	(18,616)	(22,339)	-	(40,955)
Subscription asset, net of accumulated amortization	<u>\$ 48,401</u>	<u>\$ (22,339)</u>	<u>\$ -</u>	<u>\$ 26,062</u>

Changes in the subscription asset and related accumulated amortization for the year ended June 30, 2023, were as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
Subscription asset	\$ -	\$ 67,017	\$ -	\$ 67,017
Accumulated amortization	-	(18,616)	-	(18,616)
Subscription asset, net of accumulated amortization	<u>\$ -</u>	<u>\$ 48,401</u>	<u>\$ -</u>	<u>\$ 48,401</u>

Changes in the subscription liability for the year ended June 30, 2024, were as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>	<b>Due within one year</b>	<b>Due in More Than one year</b>
Subscription Liability	\$ 45,028	\$ -	\$ (21,052)	\$ 23,976	\$ 23,976	\$ -

Changes in the subscription liability for the year ended June 30, 2023, were as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>	<b>Due within one year</b>	<b>Due in More Than one year</b>
Subscription Liability	\$ -	\$ 67,017	\$ (21,989)	\$ 45,028	\$ 21,052	\$ 23,976

**WEST SLOPE WATER DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2024 and 2023

**NOTE 8 – BONDS PAYABLE**

Changes in the District’s bonds payable for the year ended June 30, 2024, were as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>	<b>Due within one year</b>	<b>Due in More Than one year</b>
Water Revenue Bonds	\$ 1,620,000	\$ -	\$ (300,000)	\$ 1,320,000	\$ 310,000	\$ 1,010,000
Bond premiums	11,129	-	(2,386)	8,743	2,384	6,359
	<u>\$ 1,631,129</u>	<u>\$ -</u>	<u>\$ (302,386)</u>	<u>\$ 1,328,743</u>	<u>\$ 312,384</u>	<u>\$ 1,016,359</u>

Changes in the District’s bonds payable for the year ended June 30, 2023, are as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>	<b>Due within one year</b>	<b>Due in More Than one year</b>
Water Revenue Bonds	\$ 1,910,000	\$ -	\$ (290,000)	\$ 1,620,000	\$ 300,000	\$ 1,320,000
Bond premiums	13,513	-	(2,384)	11,129	2,385	8,744
	<u>\$ 1,923,513</u>	<u>\$ -</u>	<u>\$ (292,384)</u>	<u>\$ 1,631,129</u>	<u>\$ 302,385</u>	<u>\$ 1,328,744</u>

*Water Revenue Bonds*

The District issued Water Revenue Bonds on February 26, 2008 in the amount of \$5,000,000. The bonds have an interest rate ranging from 3.5 to 4.0 percent and were issued at a premium of \$47,690. The premium is being amortized straight-line over the life of the bonds. The bonds were issued to finance a new 3MG water reservoir which replaced an existing reservoir that was failing. Interest payments are due April 1 and October 1 of each year. Principal payments are due October 1 of each year. The bonds mature during FY 2028 and are insured with Financial Security Assurance Inc. (FSA). The District’s net revenues are pledged to the payment of principal and interest on the bonds.

*Water Revenue Bonds (continued)*

The District has a current underlying rating from Moody’s of Aa3 reflecting the District’s strong debt service coverage and liquidity levels.

Debt service requirements to maturity are as follows:

<b>Fiscal Year</b>	<b>Revenue Bond</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 310,000	\$ 46,000	\$ 356,000
2026	325,000	33,697	358,697
2027	335,000	20,700	355,700
2028	350,000	7,000	357,000
	<u>1,320,000</u>	<u>\$ 107,397</u>	<u>\$ 1,427,397</u>
Bond premium	8,744		
	<u>\$ 1,328,744</u>		

**NOTE 8 – BONDS PAYABLE (continued)**

*Bond Covenants*

In addition to pledging the District’s net revenues to the payment of principal and interest on the bonds, the bonds are subject to certain requirements related to financial reporting, maintaining insurance, maintaining good operational condition of the systems assets, complying with all safety and environmental regulations, restrictions on the sale or transfer of property, and restrictions on the minimum rates charged for water.

The District must establish and maintain rates and fees in connection with the operation of the water system which when combined with other gross revenues, are adequate to generate:

- 1) Net revenues at least equal to 125 percent of the annual debt service due in that fiscal year;
- 2) Net revenues excluding System Development Charge Revenues, at least equal to 115 percent of the annual debt service due in that fiscal year; and
- 3) Net revenues excluding transfers-in from the rate stabilization account, at least equal to 100 percent of the annual debt service due in that fiscal year.

The District met these financial requirements for the years ended June 30, 2024 and 2023.

*Rate Stabilization Fund*

Effective June 20, 2018, the Board authorized the establishment of a rate stabilization fund as is allowed by the Bond Master Resolution and Official Statement. The rate stabilization account can be used at the discretion of the District to meet the requirements of the rate covenants by transferring funds into the rate stabilization account in years when net revenues generated exceed the required debt service coverage and funds may be transferred out of the rate stabilization account to supplement revenues and smooth rate increases.

The fund was established in response to significant projected future wholesale water rate increases from the City of Portland which were provided to the District in March 2018. Since then, the City has not increased their rates as quickly as first projected. The most recent intention of the District is to continue to hold these funds as needed to assist with the smoothing of customer rate increases in years when higher purchased water costs are incurred. No contributions to this fund have been made since FY 2020. At the end of FY 2024, the rate stabilization account had a balance of \$800K.



**NOTE 9 – NET POSITION**

Components of net position as shown on the *Statement of Net Position* consisted of the following at June 30:

	<u>2024</u>	<u>2023</u>
<b>Net Position</b>		
Net investment in capital assets	\$ 11,365,277	\$ 8,626,920
Restricted	27,741	16,907
Unrestricted	5,849,597	6,835,558
	<u>\$ 17,242,615</u>	<u>\$ 15,479,385</u>
 <b>Net Investment in Capital Assets</b>		
Capital and intangible assets		
Capital assets, not being depreciated	\$ 156,393	\$ 957,448
Capital assets, net of depreciation	12,934,519	9,297,323
Lease asset, net of amortization	18,925	23,862
Subscription asset, net of amortization	26,062	48,401
	<u>13,135,899</u>	<u>10,327,034</u>
Less related debt and payables		
Bonds payable	(1,328,743)	(1,631,129)
Lease liability	(19,463)	(23,957)
Subscription liability	(23,976)	(45,028)
Accounts payable, capital assets	(398,440)	-
	<u>(1,770,622)</u>	<u>(1,700,114)</u>
	<u>\$ 11,365,277</u>	<u>\$ 8,626,920</u>
 <b>Restricted Net Position</b>		
Restricted for capital projects	<u>\$ 27,741</u>	<u>\$ 16,907</u>

**NOTE 10 – PENSION PLANS**

*Plan Description*

The District contributes to two pension plans administered by the Oregon Public Employees Retirement System (OPERS). The Oregon Public Employees Retirement Fund (Tier One/Tier Two) is a cost-sharing multiple-employer defined benefit plan for qualifying employees hired before August 29, 2003. The Oregon Public Service Retirement Plan (OPSRP) is a hybrid successor plan to Tier One/Tier Two consisting of two programs: a defined benefit pension plan and a defined contribution plan (the Individual Account Program or IAP). The OPSRP pension plan is effective for all new employees hired on or after August 29, 2003, and to inactive employees who return to employment following a six-month or greater break in service.

All benefits of OPERS are established by the Oregon Legislature pursuant to Oregon Revised Statutes (ORS) Chapters 238 and 238A. The Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manager the system.

OPERS produces an independently audited Annual Comprehensive Financial Report which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/ACFR/2023-ACFR.pdf>

**NOTE 10 – PENSION PLANS (continued)**

*Benefits Provided*

***Tier One/Tier Two Pension Plan***

Pension Benefits. The Tier One/Tier One pension plan provides retirement, disability, benefits, annual cost-of-living adjustments, and death benefits to plan members. The retirement allowance is payable monthly for life. The benefit may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic 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 both for contributions and in the calculation of Final Average Salary, as defined by the plan, will be limited to \$195,000 (as indexed for inflation in future years). Effective January 1, 2024, this limit was increased to \$232,976 per year.

A member is considered vested and will be eligible at a minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five prior 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 plans are closed to new members hired on or after August 29, 2003.

Beginning January 1, 2004, PERS active Tier One/Tier Two members became members of the Individual Account Program (IAP) of OPSRP.

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 a disability benefit 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 market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living adjustments (COLA). Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

**NOTE 10 – PENSION PLANS (continued)**

*Benefits Provided (continued)*

***Oregon Public Service Retirement Plan (OPSRP)***

*Pension Benefits.* This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated by formula for members who attain normal retirement age. For general service members, a percentage of 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 both for contributions and in the calculation of Final Average Salary, as defined by the plan, will be limited to \$195,000 (as indexed for inflation in future years). Effective January 1, 2024, this limit was increased to \$232,976 per year.

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, and, 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 percent 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 credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

*Benefit Changes After Retirement.* Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes (COLA). Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

***Oregon Public Service Retirement Plan (OPSRP)***

*Pension Benefits.* The IAP is an individual account-based program under the PERS 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.

Upon retirement, a member of the IAP may receive the amounts in his or her employee account, rollover account, and vested employer optional 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. Each distribution option has a \$200 minimum distribution limit.

*Death Benefits.* Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, the rollover account balance, and the 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.

**NOTE 10 – PENSION PLANS (continued)**

*Contributions*

OPERS funding policy provides for monthly employer contributions at actuarially determined rates applied to covered payroll. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plans and Other Postemployment Benefit Plans.

Employer contribution rates are adjusted every two years. The employer contribution rates for the June 30, 2024, fiscal year were based on the December 31, 2021, actuarial valuation. Employer contribution rates for June 30, 2023, fiscal year were based on the December 31, 2019, actuarial valuation.

The District’s employer contribution rates for the years ended June 30 are as follows:

	<u>2024</u>	<u>2023</u>
Tier One/Tier Two	29.60 %	28.48 %
OPSRP General Service	23.54	22.23

The District’s employer contributions for the years ended June 30, 2024 and 2023, were \$167,695 and \$126,671, respectively.

For the OPSRP Individual Account Program (IAP), covered employees are required by state statute to contribute 6 percent of their annual salary. The employer is allowed to pay any or all of the employee’s contribution in addition to the employer’s required contribution. The District did not make any optional contributions into any of the employees’ IAP accounts for the years ended June 30, 2024 and 2023.

*Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At June 30, 2024 and 2023 respectively, the District reported a liability of \$842,207 and \$728,865 for its proportionate share of the State and Local Government Rate Pool (SLGRP), OPERS net pension asset/liability. The June 30, 2024, net pension liability was measured as of June 30, 2023, and determined by an actuarial valuation as of December 31, 2021, rolled forward to June 30, 2024. The District’s proportion of the net pension asset/liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the District’s proportion was 0.0045%, which is a decrease from its proportionate share of 0.0048% at June 30, 2023.

For the years ended June 30, 2024 and 2023, the District recognized pension expense of \$112,653 and \$81,510 respectively.

**NOTE 10 – PENSION PLANS (continued)**

*Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)*

At June 30, 2024, the District reported deferred outflows and inflows of resources related to pensions as follows:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 41,186	\$ 3,339
Changes in assumptions	74,817	558
Net difference between projected and actual earnings on investments	15,138	-
Changes in porportionate share	3,344	162,529
Differences between employer contributions and employer's proportionate share of system contributions	24,032	48,617
Contributions subsequent to measurement date	165,337	-
Total	<u>\$ 323,854</u>	<u>\$ 215,043</u>

At June 30, 2023, the District reported deferred outflows and inflows of resources related to pensions as follows:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 35,381	\$ 4,545
Changes in assumptions	114,363	1,045
Net difference between projected and actual earnings on investments	-	130,307
Changes in porportionate share	22,842	176,898
Differences between employer contributions and employer's proportionate share of system contributions	18,212	64,247
Contributions subsequent to measurement date	126,671	-
Total	<u>\$ 317,469</u>	<u>\$ 377,042</u>

**NOTE 10 – PENSION PLANS (continued)**

*Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)*

Deferred outflows of resources of \$165,337 related to contributions subsequent to the measurement date included above will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. The amounts other than subsequent contributions reported above as deferred inflows and outflows of resources related to pensions will be recognized in pension expense in the following years:

<b>Fiscal Year Ending June 30</b>	
2025	\$ (37,033)
2026	(75,459)
2027	45,040
2028	10,382
2029	544
Thereafter	-
<b>Total</b>	<b>\$ (56,526)</b>

*Actuarial Methods and Assumptions*

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown below are based on the 2020 experience study which reviewed experience for the four-year period ending on December 31, 2020.

**NOTE 10 – PENSION PLANS (continued)**

*Actuarial Methods and Assumptions (continued)*

The December 31, 2021, system-wide Actuarial Valuation was used to develop the GASB Statement 67 financial reporting results for the Defined Benefit Pension Plan as of June 30, 2023, using standard roll-forward procedures. Key actuarial methods and assumptions used to measure the total pension liability are shown below:

Valuation Date	December 31, 2021
Measurement Date	June 30, 2023
Experience Study	2020, Published July 20, 2021
<b>Actuarial Assumptions:</b>	
Actuarial cost method	Entry Age Normal
Inflation Rate	2.40%
Long-term expected rate of return	6.90%
Discount rate	6.90%
Projected Salary Increases	3.40%
Cost-of-living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<p><b>Healthy retirees and beneficiaries:</b>                      Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><b>Active members:</b>                      Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><b>Disabled retirees:</b>                      Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

Source: Table 25, Page 89, OPERS Annual Comprehensive Financial Report for the year ended June 30, 2023.

*Discount Rate*

The discount rate used to measure the total pension liability for the Defined Benefit Pension Plan was 6.9 percent at June 30, 2024 and 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

**NOTE 10 – PENSION PLANS (continued)**

*Sensitivity Of The District’s Proportionate Share Of The Net Pension Liability To Changes In The Discount Rate*

The following presents the District’s proportionate share of the net pension liability as of June 30, 2024 and 2023. Both years utilized a discount rate of 6.9 percent. The table also shows what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.9 percent) or 1-percentage point higher (7.9 percent) than the current rate.

<b>June 30, 2024</b>	<b>1% Decrease 5.9%</b>	<b>Discount Rate 6.9%</b>	<b>1% Increase 7.9%</b>
Proportionate share of the net pension liability	\$ 1,391,167	\$ 842,207	\$ 382,785
<b>June 30, 2023</b>	<b>1% Decrease 5.9%</b>	<b>Discount Rate 6.9%</b>	<b>1% Increase 7.9%</b>
Proportionate share of the net pension liability	\$ 1,292,580	\$ 728,865	\$ 257,062

*Long-Term Expected Rate of Return*

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<b>Asset Class</b>	<b>Long-Term Expected Rate of Return (1)</b>			
	<b>Target Allocation</b>	<b>Annual Arithmetic Return (2)</b>	<b>20-Year Annualized Geometric Mean</b>	<b>Annual Standard Deviation</b>
Global Equity	27.50 %	8.57 %	7.07 %	17.99 %
Private Equity	25.50	12.89	8.83	30.00
Core Fixed Income	25.00	4.59	4.50	4.22
Real Estate	12.25	6.90	5.83	15.13
Master Limited Partnerships	0.75	9.41	6.02	27.04
Infrastructure	1.50	7.88	6.51	17.11
Hedge Fund of Funds - Multistrategy	1.25	6.81	6.27	9.04
Hedge Fund Equity - Hedge	0.63	7.39	6.48	12.04
Hedge Fund - Macro	5.62	5.44	4.83	7.49
Assumed Inflation - Mean			2.35 %	1.41

(1) Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, including revisions adopted at the OIC meeting on January

(2) The arithmetic mean is a component that goes into calculating the geometric mean. Expected rates of return are presented using the geometric mean, which the Board uses in setting the

Source: Table 31, page 92, OPERS Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023



**NOTE 10 – PENSION PLANS (continued)**

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plan’s fiduciary net position is available in the separately issued PERS financial report at:

<https://www.oregon.gov/pers/Documents/Financials/ACFR/2023-ACFR.pdf>

**NOTE 11 – DEFERRED COMPENSATION PLAN**

*Deferred Compensation Plan*

The District has a deferred compensation plan (the Plan) created in accordance with Internal Revenue Code Section 457, as amended. The Plan is administered by the Oregon Savings Growth Plan and VOYA Financial. All District employees are eligible to participate in the Plan. Employees are not required to contribute to the Plan but may elect to do so and are immediately vested in all contributions. Plan contributions and earnings thereon are available to participating employees upon termination, retirement, death, or financial hardship.

The Plan’s contributions and assets are set aside in trust, with the custodial trustee and administrator, for the exclusive benefit of participants and beneficiaries and are not subject to the claims of the District’s creditors, nor can they be used by the District for any purpose other than the payments of benefits to the Plan’s participants.

**NOTE 12 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS**

The District is required by ORS 243.303 to offer retirees group health and dental insurance from the date of retirement to age 65. The District provides an implicit rate subsidy for retiree health insurance premiums. The District also contributes to a retirement health insurance account (RHIA) through OPERS.

**Implicit Rate Subsidy**

*Plan Description*

The District provides subsidized health benefits to retirees under age 65, as required by ORS 243.303. Under the plan retirees electing to remain on the District-sponsored health plans may pay all or a portion of the premium to maintain coverage. Even when the District does not directly contribute to the cost of the premium for these retirees, the premium itself does not represent the full cost of covering these retirees. Since they are older than the active population, retirees can be expected to generate higher medical claims and therefore higher premiums for the active population. This additional cost is called the “implicit rate subsidy” and is required to be valued under GASB Statement 75.

The plan does not have a separate report. No assets are accumulated into a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension/OPEB plan.

*Benefits Provided*

Retirement Eligibility: To be eligible for health insurance continuation under ORS 243.303, retirees must be receiving benefits from Oregon PERS. The Oregon PERS eligibility requirements to begin receiving retirement benefits for Tier One/Tier Two members are the earlier of age 55, or any age with 30 years of service, for OPSRP members the requirements are age 55 with 5 years of service. This other post-employment benefit (OPEB) applies to all classes of District employees and covers qualified spouses, domestic partners, and children. Employees electing to remain on the District’s sponsored health care plan pay the entire premium to maintain coverage.

**NOTE 12 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)**

**Implicit Rate Subsidy (continued)**

*Benefits Provided (continued)*

The actual monthly health care premium for plan members at June 30, 2024, was:

Single	\$ 936
Employee & Children	1,731
Couple	1,872
Family	2,667

Employees covered by benefit terms: The following employees were covered by the benefit terms at June 30, 2024:

Active Employees - 7
Retired Employees Utilizing Coverage - 0
Retired Employees Eligible for Coverage - 2

*Funding Policy*

Retirees pay the entire cost of the premium at blended rates. The District’s only contribution is the implicit rate subsidy which continues to be financed on a pay-as-you-go basis. The District’s Board of Commissioners and the Oregon State Legislature have the authority to establish or amend the funding policy.

**NOTE 12 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)**

**Implicit Rate Subsidy (continued)**

*Actuarial Assumptions and Other Inputs*

The July 1, 2023, actuarial valuation upon which the June 30, 2024, OPEB liability is based, was determined using the following actuarial assumptions and other inputs.

Actuarial Valuation Date	July 1, 2023
Measurement Dates	June 30, 2024 and June 30, 2025
Actuarial Cost Method	Entry Age Normal, level percent of salary
Assumptions:	
Interest Rate for Discounting Future Liabilities	4.00% per year, based on all years discounted at municipal bond rate (based on Bond Buyer 20-Bond General Obligation Index as of June 30, 2024)
General Inflation Rate	2.5% per year
Payroll Growth	3.5% per year
Salary Merit Scale	Total payroll increase is overall payroll growth plus merit table below. Sample rates are as follows:

<u>Duration</u>	<u>General Service</u>	<u>Duration</u>	<u>General Service</u>
0	4.77%	20	0.73%
5	3.10%	25	0.50%
10	1.93%	30+	0.38%
15	1.17%		

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2023-24	7.0%	2033-34	5.3%
2024-25	6.5%	2034-35	5.2%
2025-26	6.2%	2035-36	5.1%
2026-27	6.0%	2036-37	5.0%
2027-28	5.9%	2037-38	4.9%
2028-29	5.8%	2038-39	4.8%
2029-30	5.7%	2039-40	4.7%
2030-31	5.6%	2040-41	4.6%
2031-32	5.5%	2041+	4.5%
2032-33	5.4%		

**Mortality**

***General Service and Beneficiary Table:***

Pub-2010 General Employee tables, separate Employee/Healthy Annuitant, sex distinct, generational, set back 12 months for males, no set back for females.

Mortality rates for active male participants are 115% of the above rates, and for active female participants are 125% of the above rates.

***Improvement Scale:***

Unisex Social Security Data Scale (60 year average), with data through 2019.

**NOTE 12 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)**

**Implicit Rate Subsidy (continued)**

*Changes in the Total OPEB Liability*

The changes in the total OPEB liability at year ended June 30 were as follows:

	<b>2024</b>	<b>2023</b>
Beginning balance	\$ 52,644	\$ 55,448
Changes for the year:		
Service Cost	7,898	10,160
Interest	2,252	1,457
Differences between expected and actual experience	(6,600)	-
Changes of assumptions or other input	(17,047)	(12,688)
Benefit payments	(989)	(1,733)
Net changes	<u>(14,486)</u>	<u>(2,804)</u>
Ending balance	<u>\$ 38,158</u>	<u>\$ 52,644</u>

*Sensitivity of the Total OPEB Liability*

The following presents the District's total OPEB liability calculated using the current discount rate of 4 percent, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1 percent lower (3 percent) or 1 percent higher (5 percent) than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption.

<u>Discount Rate</u>	<b>1% Decrease 3.0%</b>	<b>4.0%</b>	<b>1% Increase 5.0%</b>
Total OPEB Liability	\$ 44,070	\$ 38,158	\$ 32,889

<u>Healthcare Cost Trend</u>	<b>1% Decrease 6%, Graded Down to 3.5%</b>	<b>7% Graded Down to 4.5%</b>	<b>1% Increase 8%, Graded Down to 5.5%</b>
Total OPEB Liability	\$ 29,633	\$ 38,158	\$ 49,175

**NOTE 12 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)**

**Implicit Rate Subsidy (continued)**

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*

The District’s total OPEB liability was \$38,158 and \$52,644 at June 30, 2024 and 2023, respectively. The liability was determined by an actuarial valuation as of July 1, 2023, with a measurement date of June 30, 2024. For the year ended June 30, 2024 and 2023, the District recognized OPEB expense of \$941 and 3,814, respectively.

At June 30, 2024, the District reported deferred outflows and inflows of resources from this plan as follows:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Net Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ (44,330)	\$ (44,330)
Changes of assumptions or other input	5,007	(26,071)	(21,064)
Net Deferred Outflows and Inflows of Resources	<u>\$ 5,007</u>	<u>\$ (70,401)</u>	<u>\$ (65,394)</u>

At June 30, 2023, the District reported deferred outflows and inflows of resources from this plan as follows:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Net Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ (44,569)	\$ (44,569)
Changes of assumptions or other input	6,233	(11,631)	(5,398)
Net Deferred Outflows and Inflows of Resources	<u>\$ 6,233</u>	<u>\$ (56,200)</u>	<u>\$ (49,967)</u>

Amounts reported as deferred outflows (inflows) of resources related to OPEB will be recognized OPEB expense as follows:

<b>Fiscal Year Ending June 30</b>	
2025	\$ (8,220)
2026	(8,220)
2027	(8,220)
2028	(6,253)
2029	(6,253)
Thereafter	<u>(28,228)</u>
	<u>\$ (65,394)</u>

**NOTE 12 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)**

**Retirement Health Insurance Account (RHIA)**

The District’s total RHIA OPEB liability and amounts required by GASB 75 are immaterial to the District’s financials and therefore are not included in the Financial Statements or the footnotes. A description of the plan and benefits is described below.

*Plan Description*

As a member of Oregon Public Employees Retirement System (PERS), the District contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible Tier One/Tier Two employees. RHIA is a cost-sharing defined benefit multiple-employer other post-employment benefit plan administered by the PERS trust. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provision of RHIA resides with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004.

PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report is available at

<https://www.oregon.gov/pers/EMP/Pages/Actuarial-Financial-Information.aspx>.

*Benefits Provided*

RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. ORS require that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the RHIA established by the employer, and any monthly cost more than \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410.

*Retirement Eligibility*

To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

*Contributions*

RHIA 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.

The District’s rates in effect for the fiscal years ended June 30, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Tier One/Tier Two	0.00 %	0.05 %
OPSRP General Service	0.00	0.00

The District’s contributions in fiscal year ended June 30, 2024 and 2023, were zero and \$70, respectively.

**NOTE 13 – LAND USE AGREEMENT**

In June 1994, the District transferred property to the Tualatin Hills Park and Recreation District for the purpose of a neighborhood park. If the property is used for any purpose other than a park, the land will revert to the possession of West Slope Water District and cause a sale thereof with all proceeds going directly to the District.

**NOTE 14 – 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; injuries to employees; and natural disasters. The District purchases commercial insurance to minimize its exposure to these risks. Settled claims have not exceeded this commercial coverage in any of the past three years.

**NOTE 15 – INTERGOVERNMENTAL AGREEMENTS**

*City of Portland*

A 20-year Regional Water Sales Agreement with the City of Portland was approved by the Board of Commissioners in April 2006. The agreement provides for a firm supply of water and obligates the District to purchase an average of 1.4 million gallons per day (MGD) each year or pay Portland for water not taken. Water purchase costs are determined annually based on Portland's Water Bureau operating requirements including a return on invested capital and depreciation. The water purchase costs reflect Portland's total cost as allocated to the District and Portland's other customers in proportion to each customer's use of Portland's water system. These costs were \$1.892 and \$1.471 per CCF (1 CCF equals 748 gallons) for the years ended June 30, 2024 and 2023, respectively.

On April 12, 2021, the City of Portland provided the District a nonrenewal notice as allowed within the contract, terminating the current agreement at the end of the term on June 30, 2026.

In February 2024, a new 30-year Water Sales Agreement with the City of Portland was approved by the Board of Commissioners, commencing July 1, 2026, when the current agreement terminates. Under the new agreement, the District will purchase water in the quantity of actual volume of water delivered, with no minimum purchase quantity. The water purchase rate will be determined annually based on Portland's Water Bureau operating requirements including a return on invested capital and depreciation, similar to the previous agreement. The water purchase rate reflects Portland's total cost as allocated to the District in proportion to its use of Portland's water system, per the terms of the contract.

*City of Beaverton*

The District and the City of Beaverton have an intergovernmental agreement (IGA) related to the withdrawal of service territory from the District into the City of Beaverton. The City of Beaverton withdrew approximately five percent of the District's service territory in May 2009. The IGA states the City of Beaverton will provide debt service reimbursement to the District of approximately \$15,000 annually until year 2028 when the last bond payment is due or a mutually agreed upon lump-sum payment.

In addition, the IGA states the City of Beaverton has agreed to pay the District for a portion of unclaimed water the District would have sold to the withdrawn territory. This is to help offset the expense incurred by the District from the minimum purchase agreement in the District's 20-year Regional Water Sales Agreement with the City of Portland. For the years ended June 30, 2024 and 2023, the amounts of debt service reimbursement totaled \$15,606 and \$15,652 respectively, and water reimbursement totaled \$51,449 and \$30,197 respectively.

**NOTE 16 – ADOPTION OF NEW GASB PRONOUNCEMENTS**

The District has evaluated all pronouncements issued through June 2024 with various required dates by June 30, 2024. As determined by management, the District has implemented all new GASB pronouncements that have a material impact to the District's financial statements as of June 30, 2024.

**NOTE 17 – RECLASSIFICATIONS**

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net position.

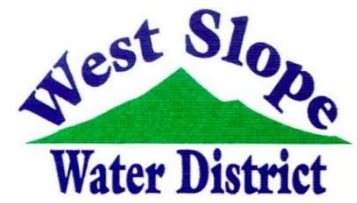
**NOTE 18 – COMMITMENTS AND CONTINGENCIES**

As of June 30, 2024, the District has contract commitments of approximately \$323,000 for professional services related to a pipe replacement project and a water master plan and rate study. The District plans to finance these projects using existing resources.

In addition, as of June 30, 2024, the District is involved in negotiations on disputed change orders related to a completed construction project. The total amount of disputed change orders is approximately \$90,000, net of liquidating damages assessed for the delay in the substantial completion date as stated in the contract.

The District, in the regular course of business, is involved in various legal matters. However, management along with legal counsel has determined that the likely outcome of these matters will not have a significant adverse effect on the District's financial position.





**REQUIRED  
SUPPLEMENTAL  
INFORMATION**

**WEST SLOPE WATER DISTRICT**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET) LIABILITY  
OREGON PUBLIC EMPLOYEES' RETIREMENT SYSTEM (OPERS)**

Last Ten Years

Fiscal Year Ended June 30	District's proportion of the net pension (asset) liability	District's proportionate share of the net pension (asset) liability	District's covered payroll (1)	District's Proportionate share of the net pension (asset) liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension (asset) liability
2024	0.0045 %	\$ 842,207	\$ 563,940	149.34 %	81.7 %
2023	0.0048	728,865	544,734	133.80	84.5
2022	0.0055	655,861	604,497	108.50	87.6
2021	0.0061	1,329,410	514,975	258.15	75.8
2020	0.0063	1,087,160	553,431	196.44	80.2
2019	0.0055	840,357	519,845	161.66	82.1
2018	0.0048	652,438	502,837	129.75	83.1
2017	0.0073	1,088,476	425,820	255.62	80.5
2016	0.0079	451,442	549,701	82.13	91.9
2015	0.0074	(168,169)	503,986	(33.37)	103.6

See notes to the schedule on next page.

Source: Oregon PERS actuarial reports and District data  
(1) As of the measurement date, which is one year in arrears.

## **WEST SLOPE WATER DISTRICT**

### **SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET) LIABILITY OREGON PUBLIC EMPLOYEES' RETIREMENT SYSTEM (OPERS)**

Last Ten Years

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#### **Notes to the Schedule**

##### *Changes in Benefit Terms:*

The 2013 Oregon Legislature made a series of changes to PERS that lowered projected future benefit payments from the System. These changes included reductions to future Cost of Living Adjustments (COLA) made through Senate Bills 822 and 861. Senate Bill 822 also required the contribution rates scheduled to be in effect from July 2013 to June 2015 to be reduced. The Oregon Supreme Court decision in *Moro v. State of Oregon*, issued on April 30, 2015, reversed a significant portion of the reductions the 2013 Oregon Legislature made to future System Cost of Living Adjustments (COLA) through Senate Bills 822 and 861. This reversal increased the total pension liability as of June 30, 2015 compared to June 30, 2014 total pension liability.

A legislative change that occurred after the December 31, 2017, valuation date affected the plan provisions reflected for financial reporting purposes. 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 Tier one/Tier Two and OPSRP benefits for certain active members are now projected to be lower than prior to the legislation. Senate Bill 1049 was reflected in the June 30, 2019, Total Pension Liability as a reduction in liability.

##### *Changes in Assumptions:*

The PERS Board adopted changes in assumptions that were used to measure the total pension liability as follows:

For June 30, 2022, the Board lowered the long-term expected rate of return to 6.90 percent and lowered the assumed inflation rate to 2.40 percent and the projected salary increases to 3.40 percent.

For June 30, 2018, the Board lowered the long-term expected rate of return to 7.20 percent.

For June 30, 2016, the Board lowered the long-term expected rate of return to 7.50 percent and lowered the assumed inflation rate to 2.50 percent. 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.

**WEST SLOPE WATER DISTRICT**  
**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS**  
**OREGON PUBLIC EMPLOYEES' RETIREMENT SYSTEM (OPERS)**  
**Last Ten Years**

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<u>Fiscal Year Ended June 30</u>	<u>Contractually required contributions</u>	<u>Contributions in relation to contractually required contributions</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
2024	\$ 167,695	\$ (167,695)	\$ -	\$ 684,572	24.5 %
2023	126,671	(126,671)	-	563,940	22.5
2022	120,128	(120,128)	-	544,734	22.1
2021	147,315	(147,315)	-	604,497	24.4
2020	124,996	(124,996)	-	514,975	24.3
2019	108,924	(108,924)	-	553,431	19.7
2018	100,095	(100,095)	-	519,845	19.3
2017	74,891	(74,891)	-	502,837	14.9
2016	66,170	(66,170)	-	425,820	15.5
2015	81,691	(81,691)	-	549,701	14.9

**WEST SLOPE WATER DISTRICT**  
**SCHEDULE OF CHANGES IN TOTAL LIABILITY AND RELATED RATIOS**  
**OTHER POST EMPLOYMENT BENEFITS (OPEB)**  
**Last Seven Years\*\***

**Other Post Employment Benefits**  
*Retiree Medical Benefit Implicit Rate Subsidy (1)*

Fiscal Year Ended June 30	Total OPEB liability: beginning balance	Service costs	Interest	Changes of assumptions	Difference between expected and actual experience	Benefit payments	Net change in total OPEB liability	Total OPEB liability: ending balance	Covered employee payroll	Total OPEB liability as a percentage of covered employee payroll
2024	\$ 52,644	\$ 7,898	\$ 2,252	\$ (17,047)	\$ (6,600)	\$ (989)	\$ (14,486)	\$ 38,158	\$ 676,849	5.6 %
2023	55,448	10,160	1,457	(12,688)	-	(1,733)	(2,804)	52,644	509,642	10.3
2022	83,672	6,372	2,469	2,671	(39,231)	(505)	(28,224)	55,448	494,798	11.2
2021	77,703	6,157	2,272	-	-	(2,460)	5,969	83,672	608,580	13.7
2020	85,511	5,873	3,179	8,020	(23,756)	(1,124)	(7,808)	77,703	590,706	13.2
2019	78,141	5,730	2,815	-	-	(1,175)	7,370	85,511	568,020	15.1
2018	70,038	5,730	2,549	-	-	(176)	8,103	78,141	552,766	14.1

**Notes to the Schedule**

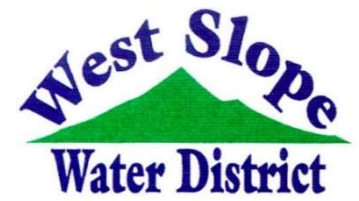
No assets for this plan are accumulated into a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension/OPEB plan.

The District funds the plan on a pay as you go basis.

\*\*10-year trend information will be presented prospectively.

(1) Actuarial data provided by the firm Independent Actuaries, Inc.

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**OTHER  
SUPPLEMENTARY  
INFORMATION**

**Notes to Other Supplementary Information**

*Description of Budgetary Funds*

For financial reporting purposes, management considers the District's activities as those of a unitary enterprise operation and, as such, is reported in a single fund in the basic financial statements. However, for budgetary and legal purposes these activities are accounted for in the funds described below. Schedules for these funds, prepared on a budgetary basis, generally on the modified accrual basis of accounting, are shown on the following pages.

The reconciliation of budgetary basis to financial reporting basis shows the reconciling items between the budgetary basis net change in fund balance to the financial statement basis change in net position as shown on the *Statement of Activities* in the Basic Financial Statements.

*General Fund*

This fund accounts for all financial resources and expenses of the District, except those required to be accounted for in another fund. The fund's principal source of revenue is water sales.

*Rate Stabilization Reserve Fund*

This fund accounts for monies accumulated for the purpose of assisting with meeting bond debt covenants while smoothing rate spikes. The source of revenue is operating transfers from the General Fund.

*Equipment Reserve Fund*

This fund accounts for monies accumulated for future equipment acquisitions or replacements. The principal source of revenue is operating transfers from the General Fund.

*Capital Improvement Reserve Fund*

This fund accounts for monies accumulated for future capital improvements and monies spent on capital projects. The principal source of revenue is operating transfers from the General Fund.

*System Development Charge Fund*

This fund accounts for the resources designated for water distribution system extensions and improvements that expand the capacity of the water system. The principal source of revenue is system development charges collected for all new meter connections or meter size upgrades. Funds are restricted by law to be used for capital improvement projects or debt service on past capital improvement projects. As resources are available, bond interest payments are made from this fund.



**WEST SLOPE WATER DISTRICT****RECONCILIATION OF REVENUES AND EXPENDITURES (BUDGETARY BASIS)  
TO THE STATEMENT OF ACTIVITIES, CHANGE IN NET POSITION  
For the Fiscal Year Ended June 30, 2024**

	<u>Total Revenues</u>	<u>Total Expenditures</u>	<u>Net</u>
<b>BUDGETARY BASIS</b>			
General Fund	\$ 4,956,889	\$ 3,370,224	\$ 1,586,665
Equipment Reserve Fund	20,903	23,657	(2,754)
Capital Improvement Reserve Fund	219,664	3,242,663	(3,022,999)
System Development Charge Fund	10,832	-	10,832
	<u>\$ 5,208,288</u>	<u>\$ 6,636,544</u>	<u>(1,428,256)</u>
 <b>ADD (DEDUCT) ITEMS TO RECONCILE TO NET INCOME ON A FINANCIAL REPORTING BASIS</b>			
Bond payments			300,000
Capital outlay			3,266,320
Depreciation and amortization			(457,989)
Payments on lease and subscription liabilities			25,546
Change in accrued bond interest payable			2,813
Bond premium amortization			2,384
Change in net OPEB obligation			14,486
Change in deferred inflows/outflows of resources			152,957
Loss on disposition of assets			(1,689)
Change in net pension liability/asset			(113,342)
 <b>CHANGE IN NET POSITION</b>			 <u>\$ 1,763,230</u>

**WEST SLOPE WATER DISTRICT**

## GENERAL FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE

## BUDGET AND ACTUAL (BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2024

	Budget Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Sale of Water	\$ 4,904,000	\$ 4,904,000	\$ 4,782,873	\$ (121,127)
Miscellaneous	29,000	29,000	45,036	16,036
Rights of way fees	61,000	61,000	59,398	(1,602)
Interest	38,000	38,000	69,582	31,582
<i>Total Revenues</i>	5,032,000	5,032,000	4,956,889	(75,111)
<b>EXPENDITURES</b>				
Personnel services	1,137,000	1,137,000	1,131,245	5,755
Materials and services	1,949,000	1,949,000	1,881,348	67,652
Debt service				
Principal	300,000	300,000	300,000	-
Interest	32,000	58,000	57,631	369
Contingency	500,000	474,000	-	474,000
<i>Total Expenditures</i>	3,918,000	3,918,000	3,370,224	547,776
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	1,114,000	1,114,000	1,586,665	472,665
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(1,377,000)	(1,377,000)	(1,377,000)	-
<b>NET CHANGE IN FUND BALANCE</b>	(263,000)	(263,000)	209,665	472,665
<b>FUND BALANCE, Beginning of year</b>	896,000	896,000	1,061,708	165,708
<b>FUND BALANCE, End of year</b>	\$ 633,000	\$ 633,000	\$ 1,271,373	\$ 638,373

**WEST SLOPE WATER DISTRICT**  
 RATE STABILIZATION RESERVE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 For the Fiscal Year Ended June 30, 2024

---

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	\$ -	\$ -	\$ -	\$ -
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
<b>FUND BALANCE, Beginning of year</b>	800,000	800,000	800,000	-
<b>FUND BALANCE, End of year</b>	\$ 800,000	\$ 800,000	\$ 800,000	\$ -

**WEST SLOPE WATER DISTRICT**

EQUIPMENT RESERVE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE

BUDGET AND ACTUAL (BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2024

---

	Budget Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Interest	\$ 13,000	\$ 13,000	\$ 20,903	\$ 7,903
<b>EXPENDITURES</b>				
Capital outlay	80,000	80,000	23,657	56,343
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(67,000)	(67,000)	(2,754)	64,246
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	40,000	40,000	40,000	-
<b>NET CHANGE IN FUND BALANCE</b>	(27,000)	(27,000)	37,246	64,246
<b>FUND BALANCE, Beginning of year</b>	396,000	396,000	402,155	6,155
<b>FUND BALANCE, End of year</b>	<u>\$ 369,000</u>	<u>\$ 369,000</u>	<u>\$ 439,401</u>	<u>\$ 70,401</u>

**WEST SLOPE WATER DISTRICT**

## CAPITAL IMPROVEMENT RESERVE FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE

## BUDGET AND ACTUAL (BUDGETARY BASIS)

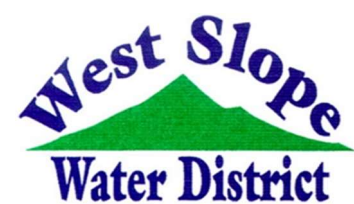
For the Fiscal Year Ended June 30, 2024

	Budget Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Interest	\$ 141,000	\$ 141,000	\$ 219,664	\$ 78,664
<b>EXPENDITURES</b>				
Capital outlay	3,356,000	3,356,000	3,242,663	113,337
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(3,215,000)	(3,215,000)	(3,022,999)	(34,673)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,337,000	1,337,000	1,337,000	-
<b>NET CHANGE IN FUND BALANCE</b>	(1,878,000)	(1,878,000)	(1,685,999)	(34,673)
<b>FUND BALANCE, Beginning of year</b>	5,138,000	5,138,000	5,513,732	375,732
<b>FUND BALANCE, End of year</b>	<u>\$ 3,260,000</u>	<u>\$ 3,260,000</u>	<u>\$ 3,827,733</u>	<u>\$ 341,059</u>

**WEST SLOPE WATER DISTRICT**  
**SYSTEM DEVELOPMENT CHARGE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (BUDGETARY BASIS)**  
For the Fiscal Year Ended June 30, 2024

---

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
System development charges	\$ 16,000	\$ 16,000	\$ 9,848	\$ (6,152)
Interest	-	-	984	984
<i>Total Revenues</i>	<u>16,000</u>	<u>16,000</u>	<u>10,832</u>	<u>(5,168)</u>
<b>EXPENDITURES</b>				
Debt service				
Interest	<u>27,000</u>	<u>27,000</u>	<u>-</u>	<u>27,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(11,000)</u>	<u>(11,000)</u>	<u>10,832</u>	<u>21,832</u>
<b>FUND BALANCE, Beginning of year</b>	<u>17,000</u>	<u>17,000</u>	<u>16,909</u>	<u>(91)</u>
<b>FUND BALANCE, End of year</b>	<u>\$ 6,000</u>	<u>\$ 6,000</u>	<u>\$ 27,741</u>	<u>\$ 21,741</u>



## **STATISTICAL SECTION**

This section of the West Slope Water District’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District’s overall financial health.

**CONTENTS**

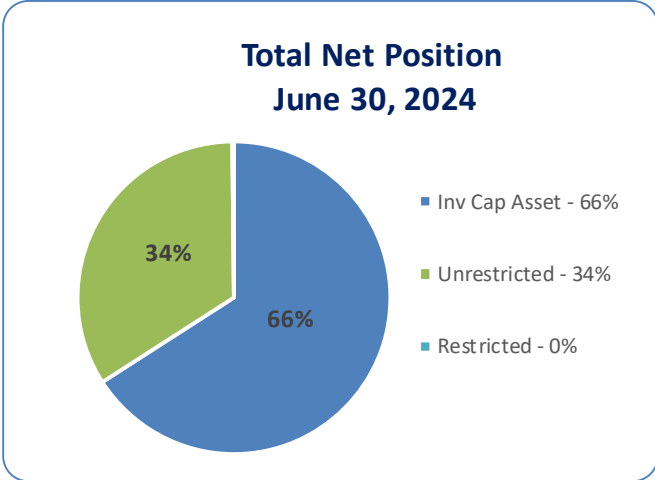
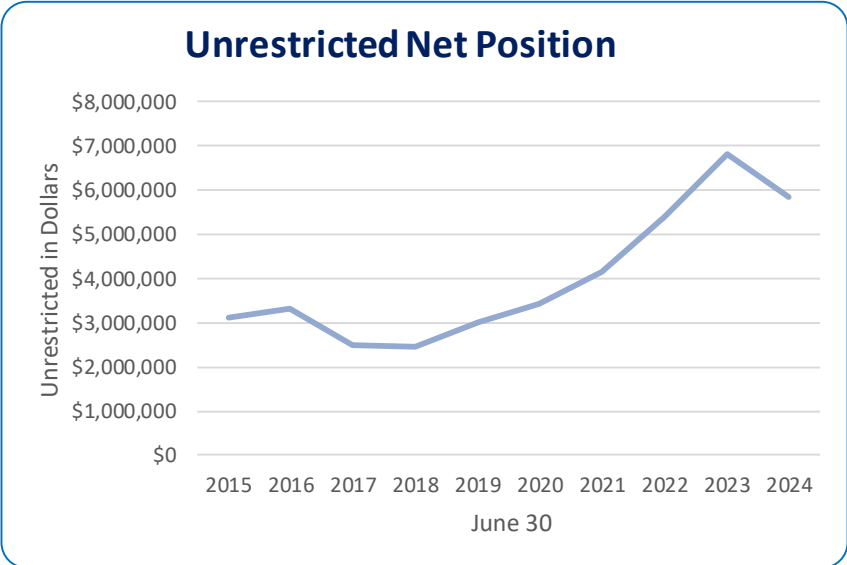
	<u>Page</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the District’s financial performance and well-being have changed over time.	75
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the District’s most significant local revenue source, sale of water.	81
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the District’s current levels of outstanding debt and its ability to issue additional debt in the future.	86
<b>Demographic Information</b> These schedules offer demographic information to help the reader understand the environment within which the District’s financial activities take place.	88
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the District’s financial report relates to services provided and activities performed.	90

**Sources:** Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.



**WEST SLOPE WATER DISTRICT**  
**NET POSITION BY COMPONENT**  
 Last Ten Years

<b>As of June 30</b>	<b>Net Investment in Capital Assets</b>		<b>Restricted</b>	<b>Unrestricted</b>	<b>Total Net Position</b>	
2024	\$	11,365,277	\$	27,741	\$	17,242,615
2023		8,626,920		16,907		15,479,385
2022		7,984,304		27,903		13,426,203
2021		7,934,982		54,753		12,132,569
2020		7,825,088		30,789		11,284,635
2019		7,872,710		14,392		10,901,671
2018		7,548,389		3,250		10,024,209
2017		7,099,958		53,252		9,640,841
2016		5,863,471		110,512		9,286,063
2015		5,762,949		92,106		8,957,964



**WEST SLOPE WATER DISTRICT**  
CHANGE IN NET POSITION (Page 1 of 2)  
Last Ten Years

	Fiscal Year Ended June 30			
	2024	2023	2022	2021
<b>OPERATING REVENUES:</b>				
Sale of Water	\$ 4,782,873	\$ 4,588,104	\$ 3,923,266	\$ 3,901,044
Service installations and modifications	7,229	3,818	11,732	13,671
Penalties	17,260	9,170	7,300	1,780
Miscellaneous	4,941	7,805	7,076	7,286
Beaverton debt reimbursement	15,606	15,652	15,676	15,678
Beaverton rights of way fees	59,398	56,325	50,314	47,246
Total operating revenues	<u>4,887,307</u>	<u>4,680,874</u>	<u>4,015,364</u>	<u>3,986,705</u>
<b>OPERATING EXPENSES:</b>				
Water purchased	1,296,906	1,005,579	1,053,177	1,220,019
Personnel services	1,077,144	857,942	819,111	1,094,844
Maintenance and repairs	241,043	176,383	145,439	143,167
Depreciation and amortization	457,989	435,370	414,347	405,831
General and administrative	254,706	229,955	182,331	160,075
Beaverton rights of way fees	59,575	56,381	50,389	47,288
Total operating expenses	<u>3,387,363</u>	<u>2,761,610</u>	<u>2,664,794</u>	<u>3,071,224</u>
Operating income (loss)	1,499,944	1,919,264	1,350,570	915,481
<b>NON-OPERATING INCOME (EXPENSE):</b>				
Interest income	311,133	184,699	27,619	29,613
Interest expense	(56,006)	(63,795)	(74,302)	(84,431)
Gain (Loss) on disposal of asset	(1,689)	(6,864)	(20,210)	(36,401)
Total non-operating income (expenses)	<u>253,438</u>	<u>114,040</u>	<u>(66,893)</u>	<u>(91,219)</u>
<b>CAPITAL CONTRIBUTIONS:</b>				
SDC	9,848	19,878	9,957	23,672
Donated Infrastructure	-	-	-	-
Change in net position	<u>1,763,230</u>	<u>2,053,182</u>	<u>1,293,634</u>	<u>847,934</u>
<b>NET POSITION, BEGINNING</b>	15,479,385	13,426,203	12,132,569	11,284,635
Accumulative adjustment for change in accounting principal	-	-	-	-
<b>NET POSITION, ENDING</b>	<u>\$ 17,242,615</u>	<u>\$ 15,479,385</u>	<u>\$ 13,426,203</u>	<u>\$ 12,132,569</u>

**WEST SLOPE WATER DISTRICT**

CHANGE IN NET POSITION (continued page 2 of 2)

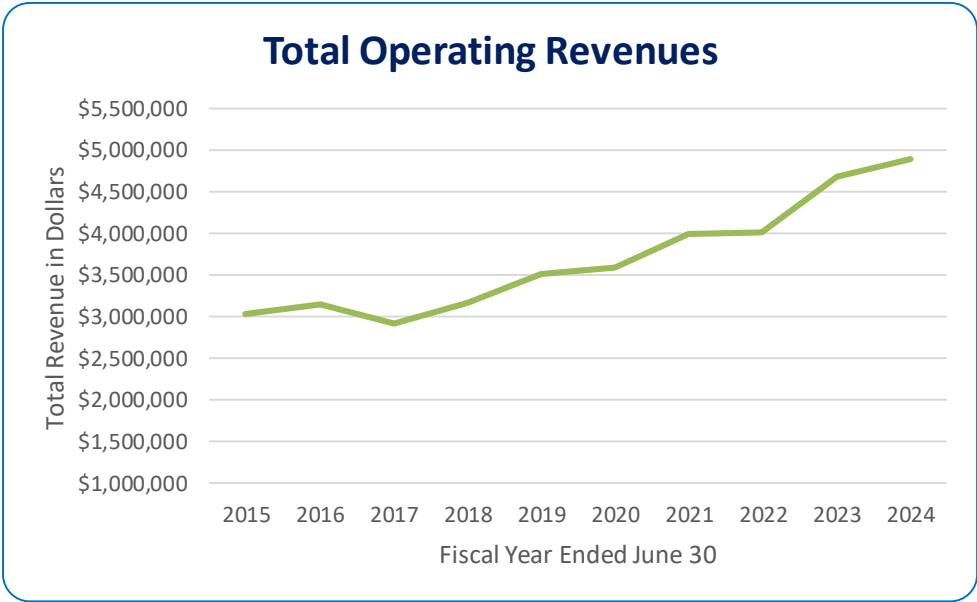
Last Ten Years

<b>Fiscal Year Ended June 30</b>					
<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
\$ 3,515,801	\$ 3,428,519	\$ 3,101,349	\$ 2,873,040	\$ 3,097,839	\$ 3,001,360
7,359	4,249	8,822	5,568	16,657	4,518
6,900	9,355	6,605	6,429	5,451	6,195
508	1,024	576	438	2,579	3,019
15,655	18,848	15,572	15,546	15,725	15,649
43,824	43,080	39,135	20,385	-	-
<u>3,590,047</u>	<u>3,505,075</u>	<u>3,172,059</u>	<u>2,921,406</u>	<u>3,138,251</u>	<u>3,030,741</u>
1,359,983	1,222,219	1,222,744	962,458	927,791	877,072
1,054,065	919,143	840,609	863,385	1,140,006	552,034
122,040	168,450	108,908	129,970	118,417	105,176
404,775	400,304	367,989	337,117	345,390	344,741
220,849	181,071	147,216	152,864	168,700	178,282
43,970	43,241	39,173	20,499	-	-
<u>3,205,682</u>	<u>2,934,428</u>	<u>2,726,639</u>	<u>2,466,293</u>	<u>2,700,304</u>	<u>2,057,305</u>
384,365	570,647	445,420	455,113	437,947	973,436
71,661	69,215	46,827	33,164	17,852	11,582
(88,579)	(117,212)	(126,254)	(136,187)	(145,608)	(154,367)
-	5,441	12,000	-	-	-
<u>(16,918)</u>	<u>(42,556)</u>	<u>(67,427)</u>	<u>(103,023)</u>	<u>(127,756)</u>	<u>(142,785)</u>
15,517	11,371	5,375	2,688	17,908	34,130
-	338,000	-	-	-	-
<u>382,964</u>	<u>877,462</u>	<u>383,368</u>	<u>354,778</u>	<u>328,099</u>	<u>864,781</u>
10,901,671	10,024,209	9,640,841	9,286,063	8,957,964	8,597,667
-	-	-	-	-	(504,484)
<u>\$ 11,284,635</u>	<u>\$ 10,901,671</u>	<u>\$ 10,024,209</u>	<u>\$ 9,640,841</u>	<u>\$ 9,286,063</u>	<u>\$ 8,957,964</u>

\*FY 2015 Prior Period adjustment reflects compliance with GASB No. 68 Acctg & Financial Report for Pensions

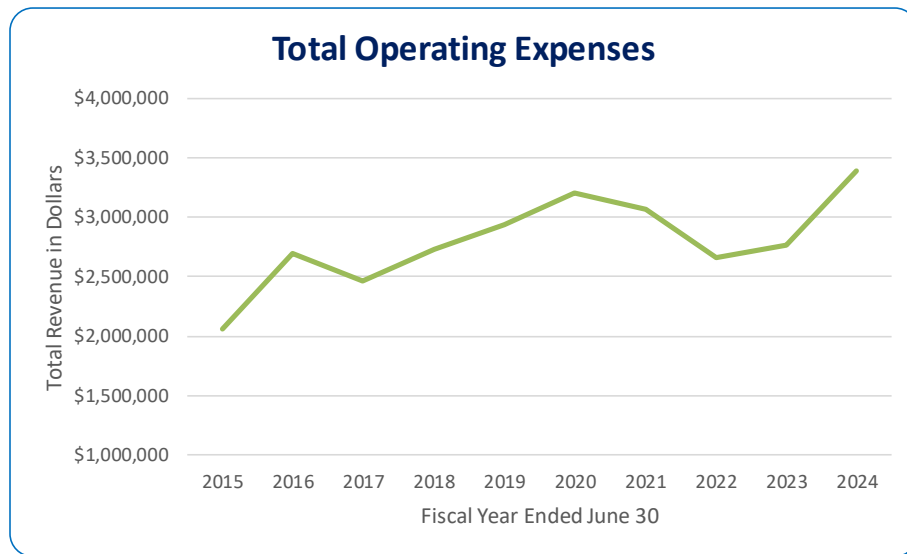
**WEST SLOPE WATER DISTRICT**  
**OPERATING REVENUES**  
 Last Ten Years

<b>Fiscal Year Ended June 30</b>	<b>Sale of Water</b>	<b>Services Billed</b>	<b>Penalties</b>	<b>Other</b>	<b>Total Operating Revenues</b>
2024	\$ 4,782,873	\$ 7,229	\$ 17,260	\$ 79,945	\$ 4,887,307
2023	4,588,104	3,818	9,170	79,782	4,680,874
2022	3,923,266	11,732	7,300	73,066	4,015,364
2021	3,901,044	13,671	1,780	70,210	3,986,705
2020	3,515,801	7,359	6,900	59,987	3,590,047
2019	3,428,519	4,249	9,355	62,952	3,505,075
2018	3,101,349	8,822	6,605	55,283	3,172,059
2017	2,873,040	5,568	6,429	36,369	2,921,406
2016	3,097,839	16,657	5,451	18,304	3,138,251
2015	3,001,360	4,518	6,195	18,668	3,030,741



**WEST SLOPE WATER DISTRICT**  
**OPERATING EXPENSES**  
 Last Ten Years

<b>Fiscal Year Ended June 30</b>	<b>Water Purchased</b>	<b>Personnel Services</b>	<b>Maintenance and Repair</b>	<b>Depreciation and Amortization</b>	<b>General and Administrative</b>	<b>Beaverton Right of Way Fees</b>	<b>Total Operating Expenses</b>
2024	\$ 1,296,906	\$ 1,077,144	\$ 241,043	\$ 457,989	\$ 254,706	\$ 59,575	\$ 3,387,363
2023	1,005,579	857,942	176,383	435,370	229,955	56,381	2,761,610
2022	1,053,177	819,111	145,439	414,347	182,331	50,389	2,664,794
2021	1,220,019	1,094,844	143,167	405,831	160,075	47,288	3,071,224
2020	1,359,983	1,054,065	122,040	404,775	220,849	43,970	3,205,682
2019	1,222,219	919,143	168,450	400,304	181,071	43,241	2,934,428
2018	1,222,744	840,609	108,908	367,989	147,216	39,173	2,726,639
2017	962,458	863,385	129,970	337,117	152,864	20,499	2,466,293
2016	927,791	1,140,006	118,417	345,390	168,700	-	2,700,304
2015	877,072	552,034	105,176	344,741	178,282	-	2,057,305



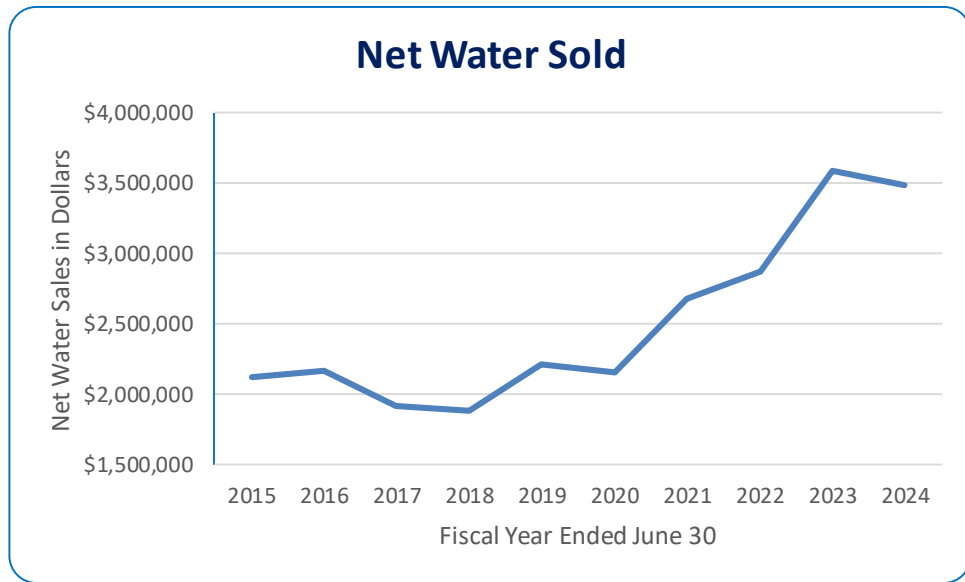
**WEST SLOPE WATER DISTRICT**  
**NON-OPERATING INCOME (EXPENSES)**  
 Last Ten Years

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<b>Fiscal Year Ended June 30</b>	<b>Interest Income</b>	<b>Interest Expense</b>	<b>Gain (Loss) on Disposal of Assets</b>	<b>Total Non- Operating Income (Expense)</b>
2024	\$ 311,133	\$ (56,006)	\$ (1,689)	\$ 253,438
2023	184,699	(63,795)	(6,864)	114,040
2022	27,619	(74,302)	(20,210)	(66,893)
2021	29,613	(84,431)	(36,401)	(91,219)
2020	71,661	(88,579)	-	(16,918)
2019	69,215	(117,212)	5,441	(42,556)
2018	46,827	(126,254)	12,000	(67,427)
2017	33,164	(136,187)	-	(103,023)
2016	17,852	(145,608)	-	(127,756)
2015	11,582	(154,367)	-	(142,785)

**WEST SLOPE WATER DISTRICT**  
**SCHEDULE OF WATER SOLD AND PURCHASED**  
 Last Ten Years

<b>Fiscal Year Ended June 30</b>	<b>Water Sold</b>	<b>Water Purchased</b>	<b>Water Purchased as a Percent of Sales</b>	<b>Net Water Sold</b>	<b>Net as a Percent of Water Sold</b>
2024	\$ 4,782,873	\$ 1,296,906	27.1%	\$ 3,485,967	72.9%
2023	4,588,104	1,005,579	21.9%	3,582,525	78.1%
2022	3,923,266	1,053,177	26.8%	2,870,089	73.2%
2021	3,901,044	1,220,019	31.3%	2,681,025	68.7%
2020	3,515,801	1,359,983	38.7%	2,155,818	61.3%
2019	3,428,519	1,222,219	35.6%	2,206,300	64.4%
2018	3,101,349	1,222,744	39.4%	1,878,605	60.6%
2017	2,873,040	962,458	33.5%	1,910,582	66.5%
2016	3,097,839	927,791	29.9%	2,170,048	70.1%
2015	3,001,360	877,072	29.2%	2,124,288	70.8%



**WEST SLOPE WATER DISTRICT**  
**HISTORY OF WATER RATES**  
 Last Ten Years

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		<b>Historical Water Rates - Date of Rate Change **</b>						
		<u>6/27/2024</u>	<u>6/22/2023</u>	<u>6/16/2022</u>	<u>6/17/2021</u>	<u>9/19/2019</u>	<u>9/30/2018</u>	<u>11/1/2014</u>
Commodity Charge		\$ 7.61	\$ 7.18	\$ 6.30	\$ 5.73	\$ 5.41	\$ 4.83	\$ 4.31
Per 100 Cubic Feet (CCF)								
Monthly Service Charge								
Per Meter Size	3/4"	21.14	20.52	19.83	18.71	17.65	15.76	14.07
	1"	35.94	34.89	33.71	31.80	30.00	26.79	23.92
	1-1/2"	59.01	57.29	55.35	52.22	49.26	43.98	39.27
	2"	90.38	87.75	84.78	79.98	75.45	67.37	60.15
	3"	196.57	190.84	184.39	173.95	164.10	146.52	130.82
	4"	297.19	288.53	278.77	262.99	248.10	221.52	197.79
	6"	545.79	529.89	511.97	482.99	455.65	406.83	363.24

\*\*No Rate Increase in 2015, 2016, 2017, and 2020.  
 Conversions: 748 gallons equals one CCF  
 Source: West Slope Water District Utility Billing Records



**WEST SLOPE WATER DISTRICT**  
**WATER BILLED BY CUSTOMER CLASS**  
 Last Ten Years

Fiscal Year Ended June 30	Water Billed in CCF *							
	Residential		Multifamily		Commerical		Total	
2024	345,123	66.7 %	66,053	12.8 %	105,978	20.5 %	517,154	100 %
2023	363,621	65.8	73,082	13.2	116,230	21.0	552,933	100
2022	338,564	65.4	71,482	13.8	107,363	20.8	517,409	100
2021	356,272	66.6	75,366	14.1	103,591	19.4	535,229	100
2020	311,407	63.6	73,881	15.1	104,625	21.4	489,913	100
2019	348,622	63.6	74,103	13.5	125,204	22.9	547,929	100
2018	341,504	63.9	73,977	13.8	119,361	22.3	534,842	100
2017	310,812	62.3	73,688	14.8	114,268	22.9	498,768	100
2016	352,595	64.8	72,771	13.4	119,177	21.9	544,543	100
2015	327,097	64.2	75,376	14.8	107,298	21.0	509,771	100

Fiscal Year Ended June 30	Customer Accounts Billed							
	Residential		Multifamily		Commerical		Total	
2024	3,218	91.7 %	49	1.4 %	241	6.9 %	3,508	100 %
2023	3,215	91.8	48	1.4	241	6.9	3,504	100
2022	3,267	91.9	51	1.4	237	6.7	3,555	100
2021	3,240	91.7	49	1.4	244	6.9	3,533	100
2020	3,200	91.7	48	1.4	241	6.9	3,489	100
2019	3,211	91.6	50	1.4	245	7.0	3,506	100
2018	3,231	91.7	51	1.4	241	6.8	3,523	100
2017	3,243	91.7	48	1.4	246	7.0	3,537	100
2016	3,274	91.6	48	1.3	254	7.1	3,576	100
2015	3,225	91.4	56	1.6	246	7.0	3,527	100

\* 1 CCF (Hundred Cubic Feet) = 748 Gallons  
 Source: West Slope Water District Utility Billing Records

**WEST SLOPE WATER DISTRICT**  
**CAPITAL CONTRIBUTIONS BY SOURCE**  
 Last Ten Years

<b>Fiscal Year Ended June 30</b>	<b>System Development Charges (SDC)</b>	<b>Donated Infrastructure</b>	<b>Total Capital Contributions</b>
2024	\$ 9,848	\$ -	\$ 9,848
2023	19,878	-	19,878
2022	9,957	-	9,957
2021	23,672	-	23,672
2020	15,517	-	15,517
2019	11,371	338,000	349,371
2018	5,375	-	5,375
2017	2,688	-	2,688
2016	17,908	-	17,908
2015	34,310	-	34,310

**Historical SDC Rates - Date of Rate Change \*\***

<b>Meter Size</b>	<b>4/1/2024</b>	<b>4/1/2023</b>	<b>4/1/2022</b>	<b>4/1/2021</b>	<b>10/1/2020</b>	<b>4/1/2019</b>	<b>12/1/2015</b>	<b>2/1/2015</b>
3/4"	\$ 1,979	\$ 1,956	\$ 1,774	\$ 1,660	\$ 1,567	\$ 1,552	\$ 1,344	\$ 3,127
1"	3,957	3,910	3,546	3,319	3,132	3,103	2,687	7,812
1-1/2"	9,812	9,697	8,794	8,299	7,832	7,758	6,718	15,633
2"	15,829	15,643	14,186	13,279	12,532	12,414	10,749	25,011
3"	31,657	31,285	28,372	26,558	25,062	24,827	21,498	49,932
4"	49,465	48,884	44,331	41,497	39,161	38,793	33,591	78,469
6"	98,929	97,768	86,663	82,994	78,323	77,586	67,182	156,325

\*\* No rate changes between 4/1/2019 and 12/1/2015

In 2015, the District hired a financial consultant to update the District's SDC rates. As a result of the findings, a new SDC rate with an effective date of 12/1/2015 was adopted by the Board.

Source: West Slope Water District Utility Billing Records

**WEST SLOPE WATER DISTRICT****SALE OF WATER, WRITE-OFFS, AND ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS**Last Ten Years

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<b>Fiscal Year Ended June 30</b>	<b>Sale of Water</b>	<b>Write Offs</b>	<b>Write Offs as a percentage of Sales</b>	<b>Accounts Receivable Balance at June 30</b>	<b>Allowance for Uncollectible Accounts</b>	<b>Allowance as a percentage of Accounts Receivable</b>
2024	\$ 4,782,873	\$ 934	0.020 %	\$ 665,192	\$ 7,000	1.052 %
2023	4,588,104	1,746	0.038	628,532	7,000	1.114
2022	3,923,266	1,525	0.039	428,831	7,000	1.632
2021	3,901,044	705	0.018	514,365	5,000	0.972
2020	3,515,801	-	-	465,208	10,000	2.150
2019	3,428,519	-	-	521,110	-	-
2018	3,101,349	-	-	460,801	-	-
2017	2,873,040	-	-	379,019	-	-
2016	3,097,839	1,908	0.062	399,315	-	-
2015	3,001,360	-	-	452,470	-	-

**WEST SLOPE WATER DISTRICT**  
**REVENUE BOND DEBT COVERAGE**  
Last Ten Years

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Fiscal Year Ended June 30	Income & Revenue*	Operating Expense**	Net Available Revenue	SDC Revenue	Revenue Bond Debt Service			Coverage Ratios	
					Principal	Interest	Total	With SDC	Without SDC
<i>Required ratio of net revenue to debt service as per the District's bond resolution:</i>								<i>1.25</i>	<i>1.15</i>
2024	\$ 5,182,834	\$ 2,929,374	\$ 2,253,460	\$ 9,848	\$ 300,000	\$ 52,434	\$ 352,434	6.422	6.394
2023	4,849,921	2,326,240	2,523,681	19,878	290,000	63,591	353,591	7.194	7.137
2022	4,027,307	2,250,447	1,776,860	9,957	280,000	74,302	354,302	5.043	5.015
2021	4,000,640	2,665,393	1,335,247	23,672	270,000	84,431	354,431	3.834	3.767
2020	3,246,053	2,800,907	445,146	15,517	260,000	94,097	354,097	1.301	1.257
2019	3,355,442	2,534,124	821,318	11,371	250,000	107,681	357,681	2.328	2.296
2018	3,003,314	2,358,650	644,664	5,375	240,000	116,856	356,856	1.822	1.807
2017	2,918,639	2,108,677	809,962	2,688	230,000	126,256	356,256	2.281	2.274
2016	3,140,378	2,354,914	785,464	17,908	225,000	135,356	360,356	2.229	2.180
2015	3,026,674	1,712,565	1,314,109	34,130	215,000	143,619	358,619	3.760	3.664

\* Income excludes Beaverton reimbursement, insurance proceeds, gain (loss) on asset disposition, and includes interest income. In addition income is reduced by transfers to the rate stabilization fund as follows:

2020	\$ (400,000)	Transfer to rate stabilization
2019	\$ (200,000)	Transfer to rate stabilization
2018	\$ (200,000)	Transfer to rate stabilization

\*\* Operating expense excludes depreciation expense

**WEST SLOPE WATER DISTRICT**  
**DEBT PER SERVICE CONNECTION**  
 Last Ten Years

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<u>As of June 30</u>	<u>Revenue Bond Debt</u>	<u>Service Connections</u>	<u>Debt Per Service Connection</u>
2024	\$ 1,328,743	3,310	\$ 401
2023	1,631,129	3,252	502
2022	1,923,513	3,242	593
2021	2,205,898	3,243	680
2020	2,478,282	3,237	766
2019	2,740,666	3,224	850
2018	2,993,050	3,225	928
2017	3,235,434	3,221	1,004
2016	3,467,818	3,216	1,078
2015	3,695,203	3,218	1,148

Source: West Slope Water District Utility Billing Records

Additional information on revenue bond debit is located in the  
*Notes to Basic Financial Statements*

**WEST SLOPE WATER DISTRICT**  
**FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION**  
 Last Ten Years

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<b>As of June 30</b>	<b>Administration</b>	<b>Field Operations</b>	<b>Total</b>	<b>Service Connections</b>	<b>District Population (Estimated)</b>	<b>Employees Per 1,000 population</b>
2024	3.00	4.00	7.00	3,310	10,500	0.67
2023	3.00	4.00	7.00	3,252	10,343	0.68
2022	3.00	3.00	6.00	3,242	10,343	0.58
2021	3.00	4.00	7.00	3,243	10,343	0.68
2020	3.00	4.00	7.00	3,237	10,337	0.68
2019	3.00	4.00	7.00	3,224	10,334	0.68
2018	3.00	4.00	7.00	3,225	10,316	0.68
2017	3.00	4.00	7.00	3,221	10,302	0.68
2016	3.00	4.00	7.00	3,216	10,288	0.68
2015	3.00	4.00	7.00	3,218	10,324	0.68

Source: West Slope Water District Payroll Records  
 Portland State University Center for Population Research and Census

**WEST SLOPE WATER DISTRICT**  
**TOP TEN RATE PAYERS**  
 Last Ten Years

Rate Payer	Fiscal Year 2024			Fiscal Year 2015		
	Consumption in CCF*	Rank	Percentage of District Total	Consumption in CCF*	Rank	Percentage of District Total
Commerce Properties	16,105	1	3.11%	13,876	2	2.72%
Canyon Park Apartments	12,399	2	2.40%	14,748	1	2.89%
Canyon Court Condo	8,609	3	1.66%	5,658	8	1.11%
Kaady Car Wash	8,422	4	1.63%	7,397	4	1.45%
Lanphere Enterprises	8,030	5	1.55%	4,959	9	0.97%
Jesuit High School	7,632	6	1.48%	6,210	5	1.22%
Param Canyon LLC	6,557	7	1.27%	9,453	3	1.85%
West Slope Terrace	4,740	8	0.92%	4,749	11	0.93%
Target Store	4,461	9	0.86%	1,412	31	0.28%
Lithia Motors	4,313	10	0.83%	2,237	23	0.44%
	<b>81,268</b>		<b>15.71%</b>	<b>70,699</b>		<b>13.87%</b>
<b>ALL OTHER CUSTOMERS</b>	<b>435,886</b>		<b>84.29%</b>	<b>439,072</b>		<b>86.13%</b>
<b>TOTAL FOR ALL CUSTOMERS</b>	<b>517,154</b>		<b>100.00%</b>	<b>509,771</b>		<b>100.00%</b>

\* 1 CCF (Hundred Cubic Feet) = 748 Gallons

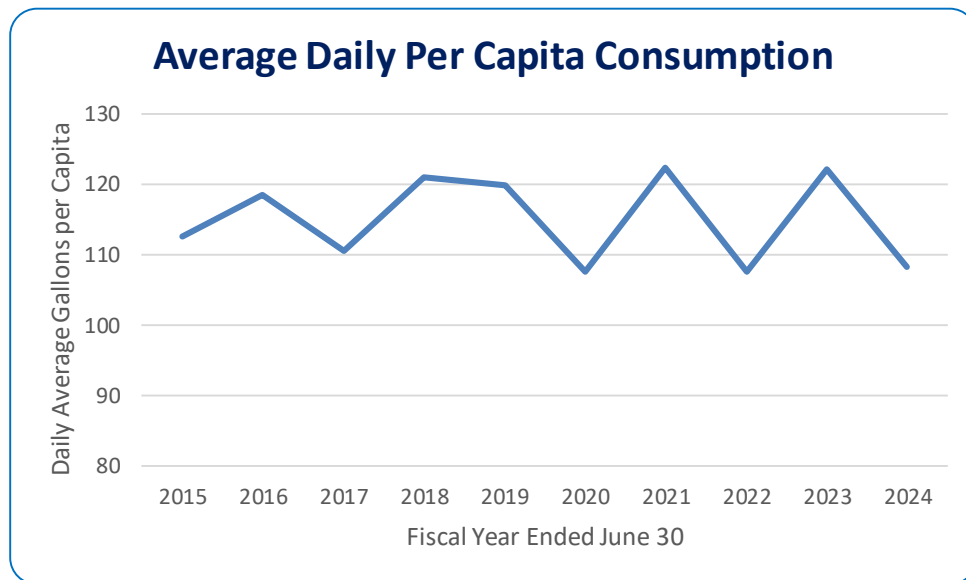
Source: West Slope Water District Utility Billing Records

**WEST SLOPE WATER DISTRICT**  
**GALLONS OF WATER CONSUMED**  
 Last Ten Years

<b>Fiscal Year Ended June 30</b>	<b>Water Consumed in CCF *</b>	<b>Water Consumed in Gallons</b>	<b>Average Daily Consumption in Gallons</b>	<b>Average Daily Per Capita Consumption in Gallons</b>	<b>District Population (Estimated)</b>
2024	554,544	414,798,912	1,136,435	108	10,500
2023	616,940	461,471,120	1,264,304	122	10,343
2022	543,254	406,353,992	1,113,299	108	10,343
2021	617,807	462,119,636	1,266,081	122	10,343
2020	543,034	406,189,432	1,112,848	108	10,337
2019	604,104	451,869,792	1,237,999	120	10,334
2018	609,197	455,679,356	1,248,437	121	10,316
2017	555,831	415,761,588	1,139,073	111	10,302
2016	595,211	445,217,828	1,219,775	119	10,288
2015	566,770	423,943,960	1,161,490	113	10,324

\* 1 CCF (Hundred Cubic Feet) = 748 Gallons

Source: West Slope Water District Payables, City of Portland Invoices Meter Reads  
 Portland State University Center for Population Research and Census





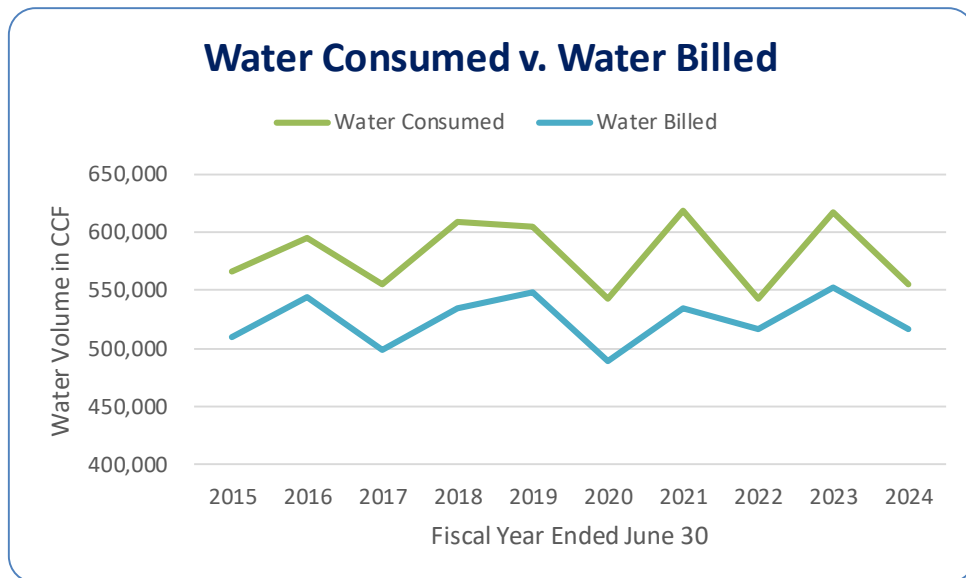
**WEST SLOPE WATER DISTRICT**  
**WATER PURCHASED, CONSUMED, AND BILLED**  
 Last Ten Years

Fiscal Year Ended June 30	Water Purchased		Water Consumed in CCF *	Water Billed in CCF *	Unbilled CCF *	Annual Percent Unbilled
	Wholesale Rate Per CCF * (1)	Quantity in CCF * (2)				
2024	\$ 1.892	685,025	554,544	517,154	37,390	6.74%
2023	1.471	683,155	616,940	552,933	64,007	10.37%
2022	1.542	683,155	543,254	517,409	25,845	4.76%
2021	1.777	683,155	617,807	535,229	82,578	13.37%
2020	1.977	685,027	543,034	489,913	53,121	9.78%
2019	1.776	683,155	604,104	547,929	56,175	9.30%
2018	1.757	683,155	609,197	534,842	74,355	12.21%
2017	1.405	683,155	555,831	498,768	57,063	10.27%
2016	1.301	685,024	595,211	544,543	50,668	8.51%
2015	1.263	683,155	566,770	509,771	56,999	10.06%

\* 1 CCF (Hundred Cubic Feet) = 748 Gallons

- (1) Annual wholesale rate for the year per contract with City of Portland
- (2) Annual guaranteed minimum purchase quantity per contract with City of Portland

Source: West Slope Water District Payables, City of Portland Invoices  
 West Slope Water District Billing Records



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**West Slope**  
**Water District**

**COMPLIANCE**  
**SECTION**



GROVE, MUELLER & SWANK

redw  
Advisors & CPAs

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

Board of Commissioners  
West Slope Water District  
Portland, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of West Slope Water District (the "District") as of and for the year ended June 30, 2024, and have issued our report thereon dated October 22, 2024.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the 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- 10-000 through 162-10-320 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 statements 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:

- 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 – no money was collected or received 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 162-10-000 through 162- 10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

***Restriction on Use***

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

By:  \_\_\_\_\_  
Devan W. Esch, Principal  
October 22, 2024