RAINBOW WATER DISTRICT
LANE COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023

CERTIFIED PUBLIC ACCOUNTANTS

PAULY ROGERS AND CO PC

12700 SW 72nd Ave.
Tigard, OR 97223

RAINBOW WATER DISTRICT
<u>LANE COUNTY, OREGON</u>

2022-2023

<u>FINANCIAL REPORT</u>

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RAINBOW WATER DISTRICT
LANE COUNTY, OREGON

2022-2023
FINANCIAL REPORT

BOARD OF COMMISSIONERS	TERM EXPIRES
Jim McLaughlin (President)	June 2025
Doug Keeler (Vice President)	June 2023
Mary Beth Wilson (Secretary – Treasurer)	June 2023
Marla Casley (Member)	June 2023
Lou Allocco (Member)	June 2025

All commissioners receive their mail at the address below.

REGISTERED AGENT

Jamie Porter, Superintendent
1550 North 42nd Street
Springfield, Oregon 97477

RAINBOW WATER DISTRICT
LANE COUNTY, OREGON

TABLE OF CONTENTS

RAINBOW WATER DISTRICT
LANE COUNTY, OREGON

TABLE OF CONTENTS (CONTINUED)

PAULY, ROGERS, AND CO., P.C.
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December 6, 2023

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Rainbow Water District
Lane County, Oregon

Opinions

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, and major fund of Rainbow Water District (the District), as of and for the year ended June 30, 2023, and the related notes to the basic financial statements, and cash flow statements where applicable which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and major fund of Rainbow Water District, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows 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 the auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Rainbow Water District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these basic 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 the basic financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the basic financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Rainbow Water District's ability to continue as a going concern for twelve months beyond the basic financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the basic financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the basic financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the basic 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 basic 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 basic 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 and required supplementary information, as listed in the table of contents, 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, except for the budgetary statement presented as required supplementary information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information, as listed in the table of contents, 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information. The other information comprises the other information, as listed in the table of contents, and the listing of board members containing their term expiration dates, located before the table of contents, but does not include the basic financial statements and our auditors' 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.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 6, 2023 on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Roy R Rogers

Roy R. Rogers, CPA
PAULY, ROGERS AND CO., P.C

Management's Discussion and Analysis
to Accompany June 30, 2023 Annual Financial Report
of the Rainbow Water District

This discussion and analysis is intended to provide an overview of the Rainbow Water District's financial activities based on information known at the time the report was compiled and presented. It complements the more detailed and comprehensive text discussion contained in the Notes section of this Annual Financial Report. Readers are encouraged to review both this section and the Notes section to assist in understanding the Annual Financial Report.

Overview of the Financial Statements

Rainbow Water District's basic financial statements comprise three components:

1) government-wide financial statements
2) fund financial statements, and
3) notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements.

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

1. The *statement of net position* presents information on all the District assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

2. The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of 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. uncollected taxes and earned but not yet used vacation leave.

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities such as water sales).

Fund financial statements. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental and proprietary.

1. Governmental Fund

   Special Revenue Fund - Special revenue funds are used to account for proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The District has one fund in this category - the Fire Protection Fund (page 36).

2. Proprietary Funds

   Proprietary funds are used to account for activities where the emphasis is placed on net income determination. The District historically maintained a separate Streetlight Fund, but currently maintains only one proprietary fund, the Water Operating Fund (page 40).

   Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The District uses an enterprise fund to account for its General Water Fund which is primarily financed by water use charges and fees.

   Reserve funds accumulate money for a specific purpose, acting as a savings account. The Capital Replacement Reserve Fund was renewed and renamed the Capital Reserve Fund by Resolution 2020-10 to provide for the replacement or construction of new utility infrastructure to enable the district to operate source, storage, treatment and related functions necessary for the provision of water for domestic and fire protection uses (page 41). The Resilience Fund (page 42) was authorized by Resolution 2020-09 to enable the district to both save for a "rainy day" and smooth rate increases by managing fluctuations in water revenues over several budget years and began use in FY 2020-21.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *supplementary information* referred to previously, and other schedules and information that are required by the State of Oregon.

Government-Wide Financial Analysis

As noted above, net position may serve over time as a useful indicator of the District's financial position. The District's assets exceeded liabilities by $5,697,299 at the close of the fiscal year, a 9.2% increase over the prior year. The District's investment in capital assets (land, construction in progress, buildings, improvements, machinery and equipment, bridges and other infrastructure), less any related outstanding debt to acquire those assets, is approximately 84% of the total net position. The District uses these capital assets to provide service to our customers, consequently, these assets are *not* available for future spending.

Budgetary Highlights

Rainbow Water District derives nearly all of its operating funds from property tax receipts (into the Fire Protection Fund) and from revenues from water sales to wholesale and retail customers (Water Operating Fund). The Water Operating Fund also receives revenue from other sources, such as contract services to other water utilities, which typically amount to less than 10% of the Water Fund's income. Neither of the District's two main funds are significantly limited for future uses. The District has one loan, a state drinking water revolving loan to finance construction of Chase Wellfield Improvements. The District currently has no bonded indebtedness.

Rainbow Water District's Changes in Net Position

	Governmental Activities		Business-Type Activities		Notes	Total	
	2022-23	2021-22	2022-23	2021-22		2022-23	2021-22
REVENUE							
Program Revenues							
Fees, charges and fines for services							
*Charges for services	-	-	2,000,458	1,843,594	1	2,000,458	1,843,594
*Property taxes	1,694,911	1,642,349	-	-		1,694,911	1,642,349
*Transfers	(448,216)	(488,216)	448,216	488,216	2	-	-
*(Loss) on Sale of Assets	-	-	(3,629)	(9,979)		(3,629)	(9,979)
*Interest on investments	21,256	3,478	34,097	5,531		55,353	9,008
Total revenue	1,267,951	1,157,611	2,479,142	2,337,341		3,747,043	3,494,952
EXPENDITURES							
*Interest Expense	-	-	-	-		-	-
*Water service	-	-	2,029,371	1,928,962		2,029,371	1,928,962
*Pension Expense	-	-	-	-		-	-
*Public Safety	1,238,831	1,238,831	-	-		1,238,831	1,238,831
Total expenditures	1,238,831	1,238,831	2,029,371	1,928,962		3,268,202	3,167,793
*Change in net position	29,120	(81,220)	449,771	398,400		478,891	371,180
*Net position beginning	473,891	555,111	4,744,517	4,346,117		5,218,408	4,901,228
*Prior Period Adjustment	-	-	-	-		-	-
*Net position ending	503,011	473,891	5,194,288	4,744,517		5,697,299	5,218,408

Notes

1. *The FY 2022-23 monthly base rate for a 3/4"-inch residential meter remained at $20.00 and the first tier usage rate increased to $1.40 per hundred cubic feet (748 gallons). This increase took place in June 2022. Before that, the FY 2021-22 rates for a ¾-inch meter were $20.00 (base) and $1.15 per hundred cubic feet (1st tier usage).*
2. *In FY 2022-23, $148,216 (authorized by Resolution 2022-14) was transferred from the Fire Protection Fund to the General Water Fund, for "water source, piping or storage capital improvement projects that maintain or enhance water system fire protection capabilities" and $300,000 (authorized by Resolution 2022-15) was transferred from the Fire Protection Fund to the Capital Replacement Reserve Fund and $275,000 (as authorized by Resolution 2022-16) was transferred from the Water Operating Fund to the Resilience Fund to provide savings for an emergency and/or rate stabilization.*

Rainbow Water District's Changes in Net Position

	Governmental Activities (Fire Protection)		Business-Type Activities (Water Operating)		*Notes*	Total	
	2022-23	**2021-22**	**2022-23**	**2021-22**		**2022-23**	**2021-22**
ASSETS							
Current							
*Cash & Cash Equivalents	**446,060**	**410,396**	**1,157,780**	**1,022,666**		**1,603,840**	**1,433,062**
*Receivables	**56,951**	**63,495**	**272,563**	**183,146**		**329,514**	**246,641**
*Prepaid Insurance			**24,571**	**22,627**		**24,571**	**22,627**
*Inventory			**55,056**	**54,817**		**55,056**	**54,817**
Noncurrent (Capital)							
*OPEB RHIA Asset			**12,190**	**12,260**		**12,190**	**12,260**
*Land/construct in prog			**174,292**	**174,292**		**174,292**	**174,292**
*Other capital assets			**6,683,646**	**6,572,088**		**6,683,646**	**6,572,088**
Total Assets	**503,011**	**473,891**	**8,380,098**	**8,041,896**		**8,883,109**	**8,515,787**
Deferred Outflows (Pension Related RHIA/PERS)			**388,641**	**498,060**	1	**388,641**	**498,060**
LIABILITIES							
Current							
*Accounts Payable			**130,606**	**71,336**		**130,606**	**71,336**
*Payroll Liabilities			**40,549**	**51,397**		**40,549**	**51,397**
*Customer Deposits			**17,940**	**20,710**		**17,940**	**20,710**
*Due within 1 year/Other			**139,379**	**136,884**		**139,379**	**136,884**
*Interest Accrual			**24,770**	**24,770**		**24,770**	**24,770**
Noncurrent							
*Proportionate share NPL			**884,159**	**825,085**		**884,159**	**825,085**
*Due in >1 year			**1,944,007**	**2,049,759**		**1,944,007**	**2,049,759**
Total Liabilities			**3,181,410**	**3,179,941**		**3,181,410**	**3,179,941**
Deferred Inflows (Pension Related RHIA/PERS)			**393,041**	**615,498**	1	**393,041**	**615,498**
NET POSITION							
*Net invest in cap assets			**4,808,179**	**4,590,869**		**4,808,179**	**4,590,869**
*Restricted	**503,011**	**473,891**	**1,132,234**	**810,880**		**1,635,245**	**1,284,771**
*OPEB RHIA Asset			**12,190**	**12,260**		**12,190**	**12,260**
*Unrestricted			**(758,315)**	**(669,492)**		**(758,315)**	**(669,492)**
Total Net Position	**503,011**	**473,891**	**5,194,288**	**4,744,517**		**5,697,299**	**5,218,408**

Notes

1. *Deferred Inflows and Outflows of Resources provide a place to reflect the impact of pension earnings and pension obligations, estimated now but to be actually determined at a future point in time.*

Management's Discussion and Analysis to Accompany June 30, 2023 Annual Financial Report of the Rainbow Water District

There were several noteworthy items which are reflected in this year's financial report.

PAGE 1-2

- Property tax revenues in the Fire Protection Fund increased to $1,694,911. These revenues are a combination of the Permanent Tax Base and the (5-year) Local Option Levy that was approved in November 2022. The Assessed Values used to calculate property taxes rose by about 3.3% over the prior year.
- Total expenses in the Fire Protection Fund remained at $1,238,831 due to the Eugene-Springfield fire protection contract costs staying at the same level for another year. Costs are expected to climb in future years.
- Revenue for the year exceeded expenses by $29,120 and the balance in the Local Government Investment Pool (Fire Protection Fund) at year end increased to $446,060.

PAGES 7-9

- The monthly retail base rate of $20.00 remained the same and the first tier usage rate increased to $1.40 per hundred cubic feet in June 2022. Over the fiscal year 1,460 million gallons were sold, about 91% of the 1,612 million gallons that were produced. Water use was 2.5% higher than the previous year.
- Revenue from SUB wholesale and Rainbow retail water sales increased 11.9% over the prior year to $1,906,565. Rainbow retail sales were up $80,306 and wholesale sales to SUB up by $127,024 over the prior year. Rainbow earned $61,429 for contract services to other agencies, down from the prior year with fewer special projects authorized. (Wholesale revenue is expected to decrease significantly after 2027 once SUB builds the McKenzie Water Treatment Plant and does not need to purchase additional water.)
- Total Operating Expenses increased from the prior year to $2,029,371. Cash and Cash Equivalents in the Water Operating Fund increased from $1,022,666 to $1,157,780 over the previous year. Staffing levels remained the same but project activity began to increase due to fewer lingering COVID-19/supply chain delays on parts.

PAGE 20

- A low interest (1.97%) state revolving fund loan was obtained to fund the Chase Water Treatment Facility. $2,430,573 was borrowed and will be paid back over 20 years.

PAGES 40-41

- The Capital Reserve Fund ended the year with a balance of $664,051. This fund, reauthorized in May 2020, provides for the replacement of (or construction of new) utility infrastructure to enable the district to operate source, storage, treatment and related functions necessary for the provision of water for domestic and fire protection uses.
- The Resilience Fund was created in May 2020 by Resolution 2020-09 to enable the district to both save for a "rainy day" and stabilize rates by managing fluctuations in water revenues across budget years. The year-end balance was $468,183.

Jamie Porter. Superintendent

RAINBOW WATER DISTRICT
LANE COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

RAINBOW WATER DISTRICT
LANE COUNTY, OREGON

STATEMENT OF NET POSITION

June 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current:			
Cash and Cash Equivalents	$ 446,060	$ 1,157,780	$ 1,603,840
Receivables:			
Taxes	56,951	-	56,951
Water Service (net of allowance)	-	272,563	272,563
Prepaid Insurance	-	24,571	24,571
Inventory	-	55,056	55,056
Noncurrent:			
OPEB RHIA asset		12,190	12,190
Capital Assets:			
Land and construction in process	-	174,292	174,292
Other capital assets (net of accumulated depreciation)	-	6,683,646	6,683,646
Total Assets	503,011	8,380,098	8,883,109
DEFERRED OUTFLOWS OF RESOURCES			
OPEB Related Deferrals (Health Care)		1,152	1,152
Net Pension Related Deferrals - RHIA		1,244	1,244
Net Pension Related Deferrals - PERS	-	386,245	386,245
Total deferred outflows	-	388,641	388,641
LIABILITIES AND NET POSITION:			
Current Liabilities:			
Accounts Payable	-	130,606	130,606
Payroll Liabilities	-	40,549	40,549
Customer Deposits	-	17,940	17,940
Interest Accrual	-	24,770	24,770
Due within one year:			
Current maturities of long-term debt		107,836	107,836
Compensated absences payable	-	33,627	33,627
Noncurrent Liabilities:			
OPEB Obligation (Health Insurance)		19,968	19,968
Net pension liabilities - PERS	-	864,191	864,191
Due in more than one year - long term debt		1,941,923	1,941,923
Total Liabilities	-	3,181,410	3,181,410
DEFERRED INFLOWS OF RESOURCES			
OPEB Related Deferrals (Health Care)	-	2,529	2,529
Net Pension Related Deferrals - RHIA	-	1,666	1,666
Net Pension Related Deferrals - PERS	-	388,846	388,846
Total deferred inflows	-	393,041	393,041
NET POSITION			
Net Investment in Capital Assets	-	4,808,179	4,808,179
Restricted			
Fire Protection Services	503,011	-	503,011
Capital Reserves	-	664,051	664,051
Resilience	-	468,183	468,183
OPEB RHIA Asset	-	12,190	12,190
Unrestricted	-	(758,315)	(758,315)
Total Net Position	$ 503,011	$ 5,194,288	$ 5,697,299

See accompanying notes to the basic financial statements

RAINBOW WATER DISTRICT
LANE COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

		PROGRAM REVENUES		Net (Expenses) Revenues and Changes in Net Position		
FUNCTIONS	Expenses	Charges for Services	Operating Grants and Contribution	Governmental Activities	Business-Type Activities	Total
Primary Government:						
Governmental Activities:						
Fire Protection	$ 1,238,831	$ -	$ -	$ (1,238,831)	$ -	$ (1,238,831)
Business-Type Activities:						
Water Service	2,029,371	2,000,458	-	-	(28,913)	(28,913)
Total Primary Government	$ 3,268,202	$ 2,000,458	$ -	(1,238,831)	(28,913)	(1,267,744)
General Revenues:						
Taxes:						
Property taxes, levied for general purposes				1,694,911	-	1,694,911
Interest and investment earnings				21,256	34,097	55,353
Gain (loss) on sale of capital assets				-	(3,629)	(3,629)
Transfers, net				(448,216)	448,216	-
Total general revenues (losses)				1,267,951	478,684	1,746,635
Change in net position				29,120	449,771	478,891
Net Position- beginning				473,891	4,744,517	5,218,408
Net Position - ending				$ 503,011	$ 5,194,288	$ 5,697,299

See accompanying notes to the basic financial statements

RAINBOW WATER DISTRICT
LANE COUNTY, OREGON

BALANCE SHEET
GOVERNMENTAL FUND
June 30, 2023

		Fire Protection
ASSETS:		
Cash and cash equivalents	$	446,060
Property taxes receivable		56,951
Total Assets	$	503,011
LIABILITIES DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:		
Deferred Inflows of Resources		
Unearned revenue - unavailable property taxes	$	54,574
Total Deferred Inflows of Resources		54,574
Fund Balances		
Restricted for fire protection services		448,437
Total Fund Balances		448,437
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$	503,011

See accompanying notes to the basic financial statements

RAINBOW WATER DISTRICT
LANE COUNTY, OREGON

Reconciliation of the Governmental Fund
Balance Sheet to the Statement of Net Position
June 30, 2023

Total Fund Balance - Governmental Fund	$	448,437
Total net position reported for governmental activities in the Statement of Net Position is different because:		
Deferred revenue represents amounts that were not available to fund current expenditures and therefore are not reported in the governmental funds.		54,574
Net Position of Governmental Activities	$	503,011

See accompanying notes to the basic financial statements

RAINBOW WATER DISTRICT
LANE COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
For the Year Ended June 30, 2023

	Fire Protection
REVENUE	
Property taxes	$ 1,697,817
Interest	21,256
Total Revenue	1,719,073
EXPENDITURES	
Fire Protection	1,238,831
Total Expenditures	1,238,831
OTHER FINANCING SOURCES AND USES	
Transfers out	(448,216)
Total Other Financing Sources and Uses	(448,216)
Net change in fund balance	32,026
Beginning fund balance (Restated)	416,411
Ending fund balance	$ 448,437

See accompanying notes to the basic financial statements

RAINBOW WATER DISTRICT
LANE COUNTY, OREGON

Reconciliation of the Governmental Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
to the Statement of Activities
For the Year Ended June 30, 2023

Net change in fund balance - total governmental fund	$	32,026
Amounts reported for government-wide statements in the Statement of Activities are different because of the following:		
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds as follows:		
(Decrease) Increase in deferred revenues		(2,906)
Net Position of Governmental Activities	$	29,120

See accompanying notes to the basic financial statements

RAINBOW WATER DISTRICT
LANE COUNTY, OREGON

STATEMENT OF NET POSITION
ENTERPRISE FUND
June 30, 2023

		Water Operating Fund
ASSETS		
Current:		
Cash and cash equivalents	$	1,157,780
Accounts receivable (net of allowance)		
Other		272,563
Prepaid insurance		24,571
Inventory		55,056
Noncurrent:		
OPEB RHIA asset		12,190
Capital assets:		
Land and construction in process		174,292
Other capital assets (net of accumulated depreciation)		6,683,646
Total assets		8,380,098
DEFERRED OUTFLOWS OF RESOURCES		
OPEB Related Deferrals (Health Care)		1,152
Pension Related Deferrals - RHIA		1,244
Pension Related Deferrals - PERS		386,245
Total deferred outflows		388,641
LIABILITIES AND FUND EQUITY:		
Current liabilities:		
Accounts payable		130,606
Payroll liabilities		40,549
Customer deposits		17,940
Interest Accrual		24,770
Due within one year:		
Current maturities of long-term debt		107,836
Compensated absences payable		33,627
Noncurrent liabilities:		
OPEB liability (Health Care)		19,968
Net pension liabilities - PERS		864,191
Due in more than one year		1,941,923
Total liabilities		3,181,410
DEFERRED INFLOWS OF RESOURCES		
OPEB Related Deferrals (Health Care)		2,529
Pension Related Deferrals - RHIA		1,666
Pension Related Deferrals - PERS		388,846
Total deferred inflows		393,041
NET POSITION		
Net investment in capital assets		4,808,179
Restricted		
Capital Reserve Fund		664,051
Resilience Fund		468,183
OPEB RHIA asset		12,190
Unrestricted		(758,315)
Total Net Position	$	5,194,288

See accompanying notes to the basic financial statements

RAINBOW WATER DISTRICT
LANE COUNTY, OREGON

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - ENTERPRISE FUND
For the Year Ended June 30, 2023

	Water Operating Fund
OPERATING REVENUES:	
Water service	$ 1,906,565
Contract Services Income	61,429
Other operating revenues	32,464
Total operating revenues	2,000,458
OPERATING EXPENSES:	
Personal services	1,049,961
Materials and services	623,183
Contractual expense	116,128
Depreciation	240,099
Total operating expenses	2,029,371
Operating Income	(28,913)
NON-OPERATING REVENUE (EXPENSE):	
Interest income	34,097
Transfers in	697,956
Transfers out	(249,740)
Gain (loss) on sale of capital assets	(3,629)
Total non-operating revenue (expense)	478,684
Net Change in Net Position	449,771
Beginning Net Position	4,744,517
Ending Net Position	$ 5,194,288

See accompanying notes to the basic financial statements

RAINBOW WATER DISTRICT
LANE COUNTY, OREGON

STATEMENT OF CASH FLOWS - ENTERPRISE FUND
For the Year Ended June 30, 2023

		Water Operating Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	$	1,908,271
Cash Paid to Suppliers		(681,985)
Cash Paid to Employees		(1,112,208)
Net Cash Provided (Used) by Operating Activities		114,078
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments of Long-term Debt		(105,752)
Capital Asset adjustments		(4)
Purchase of Capital Assets, net		(355,521)
Net Cash Provided (Used) by Capital and Related Financing Activities		(461,277)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers In		697,956
Transfers Out		(249,740)
Net Cash Provided (Used) by Non-Capital Financing Activities		448,216
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment of long-term debt		
Earnings on Investments		34,097
Net Cash Provided (Used) by Investing Activities		34,097
Net Increase (Decrease) in Cash		135,114
Cash and Cash Equivalents - Beginning of Year		1,022,666
Cash and Cash Equivalents - End of Year	$	1,157,780
Cash Paid for Interest	$	44,507
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income	$	(28,913)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities		
Depreciation Expense		240,099
Decrease (Increase) in OPEB Health Care and deferred inflow/outflow		1,140
Decrease (Increase) in net pension liability and deferred inflow/outflow		(54,772)
Decrease (Increase) in OPEB RHIA liability (asset) and deferred inflow/outflow		(262)
Decrease (Increase) in Accounts Receivable		(89,417)
Decrease (Increase) in Prepaid Insurance		(1,944)
Decrease (Increase) in Inventory		-
Increase (Decrease) in Accounts Payable		59,270
Incrase (Decreased) in Payroll Liabilities		(10,848)
Increase (Decrease) in Other Liabilities		(2,770)
Increase (Decrease) in Accrued Compensated Absences		2,495
Net Cash Provided (Used) By Operating Activities	$	114,078

See accompanying notes to the basic financial statements

RAINBOW WATER DISTRICT
LANE COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. THE FINANCIAL REPORTING ENTITY

Rainbow Water District (the District) is a municipal corporation governed by an elected board. Several other local governmental entities operate within the service area of Rainbow Water District. In no case does the District exert oversight authority over any of the other agencies in accordance with criteria established by generally accepted accounting principles (GAAP); therefore, none of the other governmental agencies have been included in these basic financial statements as a component unit of the District.

Generally accepted accounting principles, require these basic financial statements present Rainbow Water District (the primary government) and any component units, if any. Component units, as established by Government Accounting Standards Board (GASB) Statement No. 61, are separate organizations that are included in the District's reporting entity because of the significance of their operational or financial relationships with the District. All significant activities and organizations with which the District exercises oversight responsibility have been considered for inclusion in the basic financial statements. There are no component units.

B. BASIS OF PRESENTATION - FUND ACCOUNTING

FIRE PROTECTION – MAJOR GOVERNMENTAL FUND

The principal source of revenue is property taxes. The only expenditures are for fire protection and transfers to reserves.

WATER OPERATING – MAJOR ENTERPRISE FUND

This is the district's primary operating fund. This fund accounts for the operations, maintenance and development of water services and the provision of street lights. The fund's primary source of revenue is water charges.

NONMAJOR ENTERPRISE FUNDS

The principal source of revenue is transfers from the major funds.

CAPITAL RESERVE FUND
The purpose of this fund is to provide for the replacement or construction of new utility infrastructure to enable to district to operate source, storage, treatment and related functions necessary for the provision of water for domestic and fire protection uses.

RESILIENCE FUND
The purpose of this fund is to save for a rainy day and smooth rate increases by managing fluctuations in water revenues over several budget years.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. BASIS OF ACCOUNTING

GASB Statement Number 34, *Basic Financial Statements – and Management's Discussion and Analysis for State and Local Governments* is followed.

The basic financial statements are prepared on the accrual basis of accounting using the "economic resources" measurement focus. 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.

Accordingly, all assets and liabilities are reflected within the balance sheet with the equity section representing "net total position."

D. BUDGET

A budget is prepared and legally adopted for each fund type on the modified accrual basis of accounting in the main program categories required by Oregon Local Budget Law. The budgets for all budgeted funds are adopted on a basis consistent with generally accepted accounting principles except that property taxes received after year-end are not considered budgetary resources in the funds, inventory is expensed when purchased, capital outlay is reported as an expenditure rather than capitalized, pension costs are recorded when paid, depreciation and amortization are not recorded and debt and vacation pay are expensed when paid instead of when incurred.

Expense budgets are appropriated at the following levels for each fund:

Personal Services	Contingency
Materials and Services	Capital Reserve
Capital Outlay	Resilience

Expenditures cannot legally exceed the above appropriation levels. Supplemental appropriations may occur if the Board approves them due to a need, which was not determined at the time the budget was adopted. Budget amounts shown in the basic financial statements reflect the original budget amounts. Expenditures of the various funds were within authorized appropriations for the year ended June 30, 2023, except for the Capital Reserve Fund – Transfers out which was over expended by $128,740.

E. OPERATING REVENUES AND EXPENSES

Proprietary funds (enterprise) distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund is water charges. Water revenue is recorded when the service is rendered. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. INVESTMENTS

Investments are reported at fair value based on quoted market prices for securities purchased by the District and for cash reported by the investment pool in which the District participates. All investments held have readily available market prices. The change in fair value is reported in the statement of revenues, expenses and changes in net position as investment earnings. Realized gains or losses on the maturity or disposition of securities are not separately disclosed.

G. INVENTORIES

Inventories are valued at cost using the first-in/first-out (FIFO) method.

H. PREPAID INSURANCE

Unexpired insurance premiums at June 30, 2023 on insurance policies expiring in 2023-24 are recorded as prepaid insurance and are recorded as expenditures when used.

I. CAPITAL ASSETS

Purchased capital assets are stated at cost where historical records are available and at estimated historical cost where no historical records exist. Major additions, improvements and replacements are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Donated capital assets are stated at estimated fair value at the date of donation. Gains or losses realized from the sale of capital assets are reflected in the statement of operations. The District capitalizes all individual items over $5,000.

Property, plant and equipment are depreciated and intangible assets, such as system buy-in-costs, are amortized using the straight-line method over their estimated lives as follows:

Building and Improvements	40 years
Chlorination equipment	20 years
Chlorination equipment, small	5 years
Fire hydrants	40 years
Office equipment	10 years
Pumping equipment	25 years
Pumping plant rehabilitation	10 years
Reservoirs	60 years
Roads and bridges	50 years
Service lines	40 years
Telemetry/control	20 years
Transmission and distribution mains	50 years
Water quality equipment	10 years
Vehicles and tools	10 years
Wells	50 years
Well rehabilitation	10 years

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. CAPITAL ASSETS (CONTINUED)

All interest costs on borrowings that are used to finance the construction of property, plant and equipment, less any interest earned on investments acquired with the proceeds of the borrowings, are capitalized as capital assets from the date of the borrowings until the assets are ready for their intended use. Most of the borrowings are on a reimbursement basis after the construction is complete. No interest costs were capitalized in the fiscal year ending June 30, 2023.

J. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the basic financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. At June 30, 2023 there were deferred outflows representing PERS pension, OPEB-Health Insurance, and OPEB RHIA related deferrals reported in the Statement of Net Position.

In addition to liabilities, the basic financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has two types of items which qualify for reporting in this category. The first is unavailable revenue, which is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. The second is PERS pension and OPEB RHIA related deferrals, which are reported in the statement of net position.

K. NET POSITION

Net position comprises the various net earnings from operations, nonoperating 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 reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – consists of external constraints placed on net asset use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – consists of all other net position that is not included in the other categories previously mentioned.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. FUND BALANCE

GASB Statement No. 54, Fund Balance Reporting and Governmental Fund-type Definitions, is followed. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications are – nonspendable, restricted, committed, assigned, and unassigned.

- Nonspendable fund balance represents amounts that are not in a spendable form.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body. The Superintendent and Business Manager have the authority to assign fund balance.
- Unassigned fund balance is the residual classification of a General Fund. The District has no General Fund.

There is only a restricted fund balance designated for fire protection services at year end.

The governing body has approved the following order of spending regarding fund balance categories: Restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and unassigned.

M. COMPENSATED ABSENCES

The liability for compensated absences reported in the enterprise fund statements consist of unpaid, accumulated annual leave balances. All unused vacation leave vests with employees and is payable upon termination of employment.

N. CUSTOMER DEPOSITS

Customer Deposits are for new customers to set up their utility billing accounts with the District and pay a deposit of $80. The deposit is refundable after 12 months of consistent payments with no more than one late fee.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. RETIREMENT PLANS

Substantially all of the District's employees are participants in the State of Oregon Public Employees Retirement System (PERS). For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of PERS and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

P. CASH AND CASH EQUIVALENTS

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

Fair Value Inputs and Methodologies and Hierarchy
Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based up on the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Level 1 – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access
Level 2 – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market–corroborated inputs)
Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund's own assumptions used in determining the fair value of investments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Q. ESTIMATES

The preparation of basic financial statements in conformity with accounting principles generally accepted 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 basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH AND INVESTMENTS

The cash management policies are governed by state statutes. Statutes authorize investing in bankers acceptances, time certificates of deposit, commercial paper, repurchase agreements, obligations of the United States and its agencies and instrumentalities, Local Government Investment Pools and fixed or variable life insurance or annuity contracts for funding the deferred compensation plan.

A cash pool is maintained that is available for use by all funds. Each fund type's portion of this pool is reported on the combined balance sheet as Deposits and Investments or amounts in Due to Other Funds. In addition, cash is separately held by some of the funds. Interest earned on pooled cash and investments is allocated to participating funds based upon their combined cash and investment balances.

The District had the following cash and investments:

Deposits With Financial Institutions	2023
Petty Cash	$ 150
Demand Deposits:	
Checking	93,855
Investments	1,509,835
Total	$ 1,603,840

Deposits
Deposits with financial institutions include bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury. The total bank balance per the bank statements as of June 30, 2023 was $135,414, of which all was covered by federal depository insurance. Any amount over FDIC insurance limit of $250,000 would be collateralized by the Oregon Public Funds Collateralization Program (PFCP).

Credit Risk – Deposits
In the case of deposits, this is the risk that in the event of a bank failure, the deposits may not be returned. There is no deposit policy for custodial credit risk. As of June 30, 2023, none of the bank balances were exposed to custodial credit risk.

Investments
State statutes authorize investment in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Fitch Ratings and Standard & Poor's Corporation or P1 by Moody's Commercial Paper Record (A-2/P-2 if Oregon commercial paper) and the state treasurer's investment pool. The investments during the year were invested in the state treasurer's investment pool.

2. CASH AND INVESTMENTS (CONTINUED)

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2023. The LGIP seeks to exchange shares at $1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at $1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it ***materially approximates fair value.***

The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. As of June 30, 2023, the fair value of the position in the ***LGIP is 99.63%*** of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized.

http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-(OSTF).aspx

If the link has expired please contact the Oregon Short Term Fund directly.

The District had the following investments and maturities:

		Investment Maturities (in months)		
Investment Type	Fair Value	Less than 3	3-18	18-59
State Treasurer's Investment Pool	$ 1,509,835	$ 1,509,835	$ -	$ -
Total	$ 1,509,835	$ 1,509,835	$ -	$ -

Interest Rate Risk – Investments

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. There are no investments that have a maturity date beyond 3 months.

Custodial Credit Risk - Investments

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the value of the deposits will not be recovered. There is no formal investment policy for custodial credit risk. All of the investments are with the LGIP. Oregon Revised Statutes do not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE.

2. CASH AND INVESTMENTS (CONTINUED)

Concentration Risk - Investments
Concentration risk is the risk of loss due to a large portion of investments with a single issuer. To avoid incurring unreasonable risks inherent to over-investing in specific instruments or in individual financial institutions, the LGIP is invested in, which is not required to have a risk rating. State statutes do not limit the percentage of investments in this instrument. As of June 30, 2023, 100% of the investments were in the State Treasurer's Investment Pool.

3. RECEIVABLES

A. ACCOUNTS RECEIVABLE – WATER SERVICE

The District bills residential water users and commercial users every month. The water service receivable is $272,563 (after an allowance of $1,200) at June 30, 2023. The allowance was based on prior year's amount and has been historically set at $1,200 to cover bad debt with no changes considered necessary.

B. PROPERY TAXES RECEIVABLE – FIRE PROTECTION

Property taxes receivable for the District for fiscal year end 2022-23 were $56,951.

4. CAPITAL ASSETS

The changes in Proprietary fund Capital Assets for the year ended June 30, 2023 are summarized below:

	Balance 7/1/2022	Adjustments	Additions	(Deletions)	Balance 6/30/2023
Non-Depreciable:					
Land and improvements	$ 174,292	$ -	$ -	$ -	$ 174,292
Total Non-Depreciable	174,292	-	-	-	174,292
Depreciable:					
Wells	1,154,847	-	37,931	-	1,192,778
Pumpling Plant	456,546	1	31,721	(2,371)	485,897
Purification Plant	86,426	(1)	656	-	87,081
Transmission Plant	1,946,715	1	11,626	-	1,958,342
Transmission Mains	389,778	-	-	-	389,778
Distribution Mains	1,379,478	-	104,784	(15,902)	1,468,360
Service Lines	168,686	1	2,515	(5,249)	165,953
Meters	460,567	-	-	-	460,567
Hydrants	65,229	-	-	(450)	64,779
Buildings and Bridges	160,970	(1)	19,870	-	180,839
Tools, Vehicles and Equipment	251,760	-	127,105	-	378,865
Office Furniture and Equipment	65,069	-	8,295	(4,995)	68,369
Weyco Corrosion Control	69,505	-	-	-	69,505
Chase Wellfield Devel	1,071,066	1	-	-	1,071,067
CWTP- Pacific Excavation	2,930,572	-	-	-	2,930,572
Supplies	13,665	-	-	-	13,665
Streetlight Upgrades	-	-	11,018	-	11,018
Total Depreciable	10,670,879	2	355,521	(28,967)	10,997,435
Total Capital Assets	10,845,171	2	355,521	(28,967)	11,171,727
Accumulated Depreciation					
Wells	661,433	(3)	13,018	-	674,448
Pumpling Plant	280,405	-	15,591	(1,750)	294,246
Purification Plant	52,980	(2)	2,687	-	55,665
Transmission Plant	919,444	-	36,894	-	956,338
Transmission Mains	348,019	-	1,073	-	349,092
Distribution Mains	733,945	-	19,386	(15,902)	737,429
Service Lines	132,226	-	2,055	(5,249)	129,032
Meters	60,739	-	11,777	-	72,516
Hydrants	28,704	1	1,193	(450)	29,448
Buildings and Bridges	125,306	-	2,798	-	128,104
Tools, Vehicles and Equipment	223,016	(1)	15,325	-	238,340
Office Furniture and Equipment	40,846	-	4,053	(1,748)	43,151
Weyco Corrosion Control	11,868	-	3,150	-	15,018
Chase Wellfield Devel	120,102	1	21,421	-	141,524
CWTP- Pacific Excavation	351,471	1	88,037	-	439,509
Supplies	8,288	1	1,366	-	9,655
Streetlight Upgrades	-	-	275	-	275
Total Accumulated Depreciation	4,098,791	(2)	$ 240,099	$ (25,099)	4,313,789
Capital Assets, Net	$ 6,746,380				$ 6,857,938

Deletions represent the disposal of assets for a loss of $3,868. Adjustments represent updates to clean up the client capital asset report.

5. LONG-TERM OBLIGATIONS

Financing Contract: The District entered into a reimbursement basis financing contract for an estimated project cost of $3,294,400 of which $515,000 of the loan is forgivable. The final approved loan amount was $2,430,573. The final payment is due in December 2038.

The following is a summary of long-term debt transactions for the year ended June 30, 2023:

Loan	Interest Rates	Original Issue Amount	Outstanding July 1, 2022	Increases	Decreases	Outstanding June 30, 2023	Due Within One Year
Financing Contract	1.97%	$ 2,430,573	2,155,511	-	(105,752)	2,049,759	107,836
Total			$ 2,155,511	$ -	$ (105,752)	$ 2,049,759	$ 107,836

Annual debt service requirements to maturity for notes payable are as follows:

Year Ending June 30,	Principal	Interest	Total
	Financing Contract		
2024	107,836	40,380	148,216
2025	109,960	38,256	148,216
2026	112,126	36,090	148,216
2027	114,335	33,881	148,216
2028	116,587	31,628	148,215
2029-2033	618,307	122,772	741,079
2034-2038	681,658	59,421	741,079
2039	188,950	3,722	192,672
Total	$ 2,049,759	$ 366,150	$ 2,415,909

The Financing Contract note payable agreement has a default clause stating that should the District default on the loan, the remaining amount of principal and interest can be accelerated to be due immediately. The District has no other significant default or termination clauses contained in the note payable loan agreement that would require disclosure under GASB 88.

6. DEFERRED COMPENSATION

A deferred compensation plan is available to employees wherein they may execute an individual agreement with the District for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances are: termination by reason of resignation, death, disability, or retirement. Payment to the employee will be made over a period not to exceed 15 years. The deferred compensation plan is authorized under IRC Section 457 and has been approved in its specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the administrator for the sole benefit of the plan participants and are not considered assets or liabilities of the District.

7. 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 for any of the past three fiscal years.

8. PROPERTY TAX LIMITATIONS

The Voters of the State of Oregon imposes a constitutional limit on property taxes. The limitation provides that property taxes for operations are limited to $4.6552 for each $1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt. The result of this requirement has been that districts have become more dependent upon state funding and less dependent upon property tax revenues as their major source of operating revenue.

The State Voters further reduced property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit in 1997. This reduction is accomplished by rolling property values back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The State Constitution sets restrictive voter approval requirements for most tax and many fee increases and new bond issues, and requires the State to minimize the impact to districts from the impact of the tax cuts.

9. DEFINED BENEFIT PENSION PLAN

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Annual Comprehensive Financial Report which can be found at:

https://www.oregon.gov/pers/Documents/Financials/ACFR/2022-Annual-Comprehensive-Financial-Report.pdf

If the link is expired please contact Oregon PERS for this information.

a. **PERS Pension (Chapter 238)**. The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.

   i. **Pension Benefits**. The PERS retirement allowance is payable monthly for life. It 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 (2.0 percent for police and fire employees, and 1.67 percent 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 benefits results.
   A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

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

   iii. **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 (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

iv. **Benefit Changes After Retirement**. Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

b. **OPSRP Pension Program (OPSRP DB)**. The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.

i. **Pension Benefits**. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

General service: 1.5 percent 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.

A member of the 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.

ii. **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. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.

iii. **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.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation, which became effective July 1, 2021. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2023 were $168,739.

9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Asset or Liability – At June 30, 2023, the District reported a net pension liability of $864,191 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2020. The District's proportion of the net pension 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. As of the measurement dates of June 30, 2022 and 2021, the District's proportion was .006 percent and .007 percent, respectively. Pension income for the year ended June 30, 2023 was $54,772.

The rates in effect for the year ended June 30, 2023 were:

(1) Tier 1/Tier 2 – 28.67%
(2) OPSRP general services – 22.37%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ 41,950	$ 5,389
Changes in assumptions	135,596	1,239
Net difference between projected and actual earnings on pension plan investment	-	154,501
Changes in proportionate share	37,486	147,058
Difference between employer contributions and employer's proportionate share of system contributions	2,474	80,659
Subtotal - Amortized deferrals (below)	217,506	388,846
District contributions subsequent to measurement date	168,739	-
Net deferred outflow (inflow) of resources	$ 386,245	$ 388,846

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2024.

Subtotal amounts related to pension as deferred outflows of resources $217,506, and deferred inflows of resources, ($388,846), net to ($171,340) and will be recognized in pension expense as follows:

Year ending June 30,	Amount
2024	$ (18,669)
2025	(52,685)
2026	(105,955)
2027	28,195
2028	(22,225)
Thereafter	-
Total	$ (171,340)

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated February 2, 2023. Oregon PERS produces an independently audited ACFR which can be found at:

https://www.oregon.gov/pers/Documents/Financials/ACFR/2022-Annual-Comprehensive-Financial-Report.pdf

9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Valuations – The employer contribution rates effective July 1, 2021 through June 30, 2023, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an actuarially determined amount for funding a disability benefit component, and (c) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

Actuarial Methods and Assumptions:

Valuation date	December 31, 2020
Experience Study Report	2020, Published July 20, 2021
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Asset valuation method	Market value of assets
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with *Moro* decision; blend based on service
Mortality	Healthy retirees and beneficiaries: 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. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: 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.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts 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 method and assumptions shown are based on the 2020 Experience Study which is reviewed for the four-year period ending December 31, 2020.

9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	15.0%	25.0%	20.0%
Public Equity	25.0%	35.0%	30.0%
Real Estate	7.5%	17.5%	12.5%
Private Equity	15.0%	27.5%	20.0%
Risk Parity	0.0%	3.5%	2.5%
Real Assets	2.5%	10.0%	7.5%
Diversifying Strategies	2.5%	10.0%	7.5%
Opportunity Portfolio	0.0%	5.0%	0.0%
Total			100.0%

(Source: June 30, 2022 PERS ACFR; p. 104)

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 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.

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Global Equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core Fixed Income	23.75%	2.73%
Real Estate	12.25%	5.66%
Master Limited Partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge Fund of Funds - Multistrategy	1.25%	5.11%
Hedge Fund Equity - Hedge	0.63%	5.31%
Hedge Fund - Macro	5.62%	5.06%
US Cash	-2.50%	1.76%
Assumed Inflation - Mean		*2.40%*

(Source: June 30, 2022 PERS ACFR; p. 74)

9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Discount Rate – The discount rate used to measure the total pension liability as of the measurement dates of June 30, 2022 and 2021 was 6.90 percent, for both years, for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the 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.

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 calculated using the discount rate of 6.90 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percent lower (5.90 percent) or one percent higher (7.90 percent) than the current rate.

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net pension liability	$ 1,532,568	$ 864,191	$ 304,790

Changes Subsequent to the Measurement Date

As described above, GASB 67 and GASB 68 require the Total Pension Liability to be determined based on the benefit terms in effect at the Measurement Date. Any changes to benefit terms that occurs after that date are reflected in amounts reported for the subsequent Measurement Date. However, Paragraph 80f of GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer's reporting date that are expected to have a significant effect on the employer's share of the collective Net Pension Liability, along with an estimate of the resulting change, if available.

There are no changes subsequent to the June 30, 2022 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:
Employees of the District are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP). Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member's IAP account. OPSRP is part of OPERS, and is administered by the OPERS Board.

9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Benefits:
Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. 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, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Contributions:
Employees of the District pay six (6) percent of their covered payroll. Effective July 1, 2020, currently employed Tier 1/Tier 2 and OPSRP members earning $2,500 or more per month (increased to $3,333 per month in 2022) will have a portion of their 6 percent monthly IAP contributions redirected to an Employee Pension Stability Account. The Employee Pension Stability Account will be used to pay part of the member's future benefit. Of the 6 percent monthly IAP contribution, Tier 1/Tier 2 will have 2.5 percent redirected to the Employee Pension Stability Account and OPSRP will have 0.75 percent redirected to the Employee Pension Stability Account, with the remaining going to the member's existing IAP account. Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full 6 percent contribution to the IAP. The District did not make any optional contributions to member IAP accounts for the year ended June 30, 2023.

Additional disclosures related to Oregon PERS not applicable to specific employers are available online, or by contacting PERS at the following address: PO Box 23700 Tigard, OR 97281-3700.

http://www.oregon.gov/pers/EMP/Pages/GASB.aspx

10 OTHER POST EMPLOYMENT BENEFIT PLAN (RHIA)

Plan Description:
As a member of Oregon Public Employees Retirement System (OPERS) the District contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

10 OTHER POST EMPLOYMENT BENEFIT PLAN (RHIA) (CONTINUED

Funding Policy:
Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to $60 dollars or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of $60 dollars shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy 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.

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the District currently contributes 0.05% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2023. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The District's contributions to RHIA are included with PERS and equaled the required contributions for the year.

At June 30, 2023, the District reported a net OPEB asset of $12,190 for its proportionate share of the net OPEB asset. The OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2020. Consistent with GASB Statement No. 75, paragraph 59(a), the District's proportion of the net OPEB asset is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement dates of June 30, 2022 and 2021, the District's proportion was .003 percent and .004 percent, respectively. OPEB income for the year ended June 30, 2023 was $262.

Components of OPEB Expense/(Income):

Employer's Proportionate share of collective system OPEB Expense/(Income)	$ (1,825)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	1,647
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)	-
Employer's total OPEB Expense/(Income)	$ (178)

10 OTHER POST EMPLOYMENT BENEFIT PLAN (RHIA) (CONTINUED

Components of Deferred Outflows/Inflows of Resources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expended and actual experience	-	330
Changes of assumptions	95	406
Net Difference between project and actual earning on investment	-	930
Changes in proportionate share	1,149	-
Difference between employer contributions and employer's proportionate share of system contributions	-	-
Subtotal - Amortized Deferrals (below)	1,244	1,666
Contributions subsequent to measurement date	-	-
Deferred outflow (inflow) of resources	$ 1,244	$ 1,666

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB asset in the fiscal year ended June 30, 2024.

Subtotal amounts related to OPEB as deferred outflows of resources, $1,244, and deferred inflows of resources, ($1,666), net to ($422) and will be recognized in OPEB expense as follows:

Year ending June 30,	Amount
2024	$ 363
2025	(496)
2026	(587)
2027	298
2028	-
Thereafter	-
Total	$ (422)

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost-Sharing Multiple-Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2022. That independently audited report was dated February 2, 2023 and can be found at:

https://www.oregon.gov/pers/EMP/Documents/GASB/2022/GASB-75-RHIA-2022.pdf

10 OTHER POST EMPLOYMENT BENEFIT PLAN (RHIA) (CONTINUED

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2020
Experience Study Report	2020, Published July 20, 2021
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Retiree healthcare participation	Healthy retirees: 27.5%; Disabled retirees: 15%
Mortality	Healthy retirees and beneficiaries: 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. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: 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.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts 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 method and assumptions shown are based on the 2020 Experience Study which is reviewed for the four-year period ending December 31, 2020.

Discount Rate:

The discount rate used to measure the total OPEB liability as of the measurement date of June 30, 2022 and June 30, 2021 was 6.90 percent for both years. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA 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 OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

10 OTHER POST EMPLOYMENT BENEFIT PLAN (RHIA) (CONTINUED

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 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.

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Global Equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core Fixed Income	23.75%	2.73%
Real Estate	12.25%	5.66%
Master Limited Partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge Fund of Funds - Multistrategy	1.25%	5.11%
Hedge Fund Equity - Hedge	0.63%	5.31%
Hedge Fund - Macro	5.62%	5.06%
US Cash	-2.50%	1.76%
Assumed Inflation - Mean		*2.40%*

(Source: June 30, 2022 PERS ACFR; p. 74)

Sensitivity of the District's proportionate share of the net OPEB asset to changes in the discount rate – The following presents the District's proportionate share of the net OPEB asset calculated using the discount rate of 6.90 percent, as well as what the District's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one percent lower (5.90 percent) or one percent higher (7.90 percent) than the current rate.

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
District's Proportionate share of the net OPEB liability (asset)	$(10,986)	$(12,190)	$(13,221)

Changes Subsequent to the Measurement Date

There are no changes subsequent to the June 30, 2022 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

11. OTHER POST-EMPLOYMENT BENEFIT PLAN (HEALTH CARE)

Post-Employment Health Care Benefits

Plan Description:
The District maintains a single employer retiree benefit plan that provides post-employment health, dental, vision and life insurance benefits to eligible employees and their spouses. There are active and retired members in the plan. Benefits and eligibility for members are established through the collective bargaining agreements. The plan does not issue separate basic financial statements.

The district's post-retirement healthcare plan was established in accordance with Oregon Revised Statutes (ORS) 243.303. ORS stipulated that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. The difference between a retirees' claims cost, which because of the effect of age is generally higher in comparison to all plan members, and the amount of retiree healthcare premiums represents the District's implicit employer contribution.

The District reports Other Postemployment Benefits under GASB Statement No. 75. This allows the District to report a liability for other post-employment benefits consistent with established generally accepted accounting principles and to reflect an actuarially determined liability for the present value of projected future benefits for retired and active employees on the basic financial statements.

Annual OPEB Cost and Total OPEB Liability - The annual other postemployment benefit (OPEB) cost is calculated based on the Total OPEB Liability, an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. For detailed information and a table showing the components of the District's annual OPEB costs and liabilities, see page 39.

Total other Post Employment Benefit Liability

The District's total other post-employment benefits were measured as of June 30, 2021 and determined by an actuarial valuation as of July 1, 2021.

Actuarial Methods and Assumptions - The total other post-employment benefit liability in the July 1, 2021 actuarial valuation was calculated based on the discount rate and actuarial assumptions below, and was then projected forward/backward to the measurement date. Discount Rate 2.16%, Inflation 2.40%, Salary Increases 3.40%, and Actuarial Cost Method is Entry Age Normal Level Percent of Pay. Mortality rates are based on RP 2014, Employee/Healthy Annuitant, sex distinct, generational. Turnover, Disability and Retirement rate assumptions are based off the valuation of benefits under Oregon PERS.

Changes in the Net Other Post-Employment Benefit Liability

Total OPEB Liability at June 30, 2022	$	21,234
Changes for the year:		
Service Cost		1,991
Interest		492
Changes of assumptions or other input		(2,807)
Differences between expected and actual experience		-
Benefit Payments		(942)
Total OPEB Liability at June 30, 2023	$	19,968

11. OTHER POST EMPLOYMENT BENEFITS – HEALTH INSURANCE (CONTINUED)

Sensitivity of the Total Post-Employment Benefit Liability to changes in the discount and trend rates

The following presents the Total OPEB Liability of the plan, calculated using the discount rate as of the measurement date, as well as what the Plan's Total OPEB Liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption:

	1% Decrease 1.16%	Current Discount Rate 2.16%	1% Increase 3.16%
Total OPEB Liability	$ 21,907	$ 19,968	$ 18,181

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	$ 17,361	$ 19,968	$ 23,107

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Benefits:

	Deferred Inflow of Resources	Deferred Outflow of Resources
Difference between expected and actual experience	$ -	$ -
Changes of assumptions or inputs	(2,529)	77
Subtotal - Amortized Deferrals (below)	(2,529)	77
Benefit Payments (estimated)	-	1,075
Deferred outflow (inflow) of resources	$ (2,529)	$ 1,152

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB liability in the fiscal year ended June 30, 2023.

Subtotal amounts related to OPEB as deferred outflows of resources, $77, and deferred inflows of resources $(2,529), net to ($2,452) and will be recognized in pension expense as follows:

Year ending June 30,	Amount
2024	(268)
2025	(268)
2026	(268)
2027	(268)
2028	(268)
Thereafter	(1,112)
Total	$ (2,452)

11. OTHER POST EMPLOYMENT BENEFITS – HEALTH INSURANCE (CONTINUED)

As of the July 1, 2021 valuation date, the following employee groups were covered by the benefit terms:

Number of Members	
Active	8
Retired Members	0
Total	8

12. INTERFUND TRANSFERS

Interfund transfers are comprised of the following at June 30, 2023:

	Transfers Out	Transfers In
Fire Fund	$ 448,216	$ -
Water Fund	121,000	276,956
Capital Reserve Fund	128,740	300,000
Resilience Fund	-	121,000
Total Transfers	$ 697,956	$ 697,956

Transfers were made to fund operations. There were no interfund receivables/payables at June 30, 2023.

13. TAX ABATEMENTS

As of June 30, 2023, the District potentially had tax abatements through various state allowed programs that impacted levied taxes. Based on the information available from the county as of the date of issuance of these basic financial statements, there were no material abatements disclosed by the county for the year ended June 30, 2023 for any program covered under GASB 77.

14. COMMITMENTS AND CONTINGENCIES

The COVID-19 outbreak in the United States has caused substantial disruption to business and local governments due to mandated and voluntary suspension of operations and stay at home orders. There is considerable uncertainty around the duration of the outbreak and the long-term impact to the overall economy. The ultimate impact on the District's finances is not determinable.

RAINBOW WATER DISTRICT
LANE COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

(Individual Fund and Other Financial Schedules)

RAINBOW WATER DISTRICT
LANE COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET (BUDGETARY BASIS)
For the Year Ended June 30, 2023

FIRE PROTECTION FUND

	ORIGINAL BUDGET	FINAL BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:					
Current year property taxes	$ 1,682,222	$ 1,682,222		$ 1,697,817	$ 15,595
Interest	4,778	4,778		21,256	16,478
Total Revenues	1,687,000	1,687,000		1,719,073	32,073
EXPENDITURES:					
Materials and services	1,238,831	1,238,831	(1)	1,238,831	-
Contingency	412,944	412,944	(1)	-	412,944
Total Expenditures	1,651,775	1,651,775		1,238,831	412,944
Excess of Revenues Over, -Under Expenditures	35,225	35,225		480,242	445,017
Other Financing Sources, -Uses:					
Transfers Out	(448,216)	(448,216)	(1)	(448,216)	-
Total Other Financing Sources, -Uses	(448,216)	(448,216)		(448,216)	-
Net Change in Fund Balance	(412,991)	(412,991)		32,026	445,017
Beginning Fund Balance	415,000	415,000		416,411	1,411
Ending Fund Balance	$ 2,009	$ 2,009		$ 448,437	$ 446,428

(1) Appropriation Level

PERS

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPA)	(c) Entity's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	0.006 %	$ 864,191	$ 645,024	134.0 %	84.5 %
2022	0.007	803,851	633,492	126.9	87.6
2021	0.007	1,432,886	665,085	215.4	75.8
2020	0.006	1,119,959	629,916	177.8	80.2
2019	0.006	895,446	562,685	159.1	82.1
2018	0.006	795,754	513,596	154.9	83.1
2017	0.006	911,928	481,819	189.3	80.5
2016	0.007	407,784	447,392	91.1	91.9
2015	0.007	(153,895)	439,364	(35.0)	103.6
2014	0.007	346,470	417,895	82.9	92.0

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date.

These schedules are presented to illustrate the requirements to show information for 10 years.

SCHEDULE OF CONTRIBUTIONS

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2023	$ 168,739	$ 168,739	$ -	$ 694,823	24.3 %
2022	150,795	150,795	-	645,024	23.4
2021	148,470	148,470	-	633,492	23.4
2020	156,601	156,601	-	665,085	23.5
2019	127,929	127,929	-	629,916	20.3
2018	114,331	114,331	-	562,685	20.3
2017	88,169	88,169	-	513,596	17.2
2016	82,665	82,665	-	481,819	17.2
2015	60,158	60,158	-	447,392	13.4
2014	58,148	58,148	-	439,364	13.2

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date.

These schedules are presented to illustrate the requirements to show information for 10 years.

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB ASSET FOR RHIA

Year Ended June 30,	(a) Employer's proportion of the net OPEB asset (NOA)	(b) Employer's proportionate share of the net OPEB asset (NOA)	(c) Employer's covered payroll	(b/c) NOA as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total OPEB asset
2023	0.0034 %	$ 12,190	$ 645,024	1.890 %	194.6 %
2022	0.0036	12,260	633,492	1.935	183.9
2021	0.0054	11,053	665,085	1.662	150.1
2020	0.0058	11,203	629,916	1.737	144.5
2019	0.0053	5,937	562,685	1.055	124.0
2018	0.0051	2,126	513,596	0.414	108.9

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

Amounts for covered payroll (c) use the prior year's data to match the measurement date used by the OPEB plan for each year.

SCHEDULE OF CONTRIBUTIONS

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2023	$ N/A	$ N/A	$ -	$ 694,823	- %
2022	N/A	N/A	-	645,024	-
2021	N/A	N/A	-	633,492	-
2020	N/A	N/A	-	665,085	-
2019	N/A	N/A	-	629,916	-
2018	N/A	N/A	-	562,685	-

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

All statutorily required contributions were made and are included with PERS contributions (See p. 37)

OPEB: (HEALTH INSURANCE)
SCHEDULE OF FUNDING PROGRESS

Year Ended June, 30	OPEB Liability Beginning of Year	Service Cost	Liability Interest	Changes of Benefit Terms	Changes of Assumptions	Benefit Payments	OPEB Liability End of Year	Estimated Covered Payroll	Total OPEB Liability as a % of Covered Payroll
2023	$ 21,234	$ 1,991	$ 492	$ -	$ (2,807)	$ (942)	$ 19,968	$ N/A	N/A
2022	19,683	1,929	467	-	97	(942)	21,234	N/A	N/A
2021	-	-	-	-	-	-	19,683	N/A	N/A

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June, 30	(a) Actuarially Determined Contribution	(b) Contributions During Year	(b)-(a) Difference	(c) Covered Payroll	(b/c) Contributions as a Percentage of Payroll
2023	$ -	-	$ N/A	$ N/A	$ N/A
2022	-	-	N/A	N/A	N/A
2021	-	-	N/A	N/A	N/A

The above table presents the most recent calculation of the post-retirement health insurance under GASB 75 and it provides information about the total plan unfunded liability.

This Schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the

* Information not available

RAINBOW WATER DISTRICT
LANE COUNTY, OREGON

SUPPLEMENTARY INFORMATION

(Individual Fund and Other Financial Schedules)

RAINBOW WATER DISTRICT
LANE COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET (BUDGETARY BASIS)
For the Year Ended June 30, 2023

WATER OPERATING FUND

	ORIGINAL BUDGET	FINAL BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:					
Water sales	$ 1,813,955	$ 1,813,955		$ 1,906,565	$ 92,610
Interest	1,200	1,200		5,003	3,803
Contract Services Income	59,600	59,600		61,429	1,829
Miscellaneous income	14,529	14,529		32,703	46,900
Total Revenues	1,889,284	1,889,284		2,005,700	116,416
EXPENDITURES:					
Personal services	1,185,000	1,185,000	(1)	1,102,389	82,611
Materials and services	750,000	750,000	(1)	622,154	127,846
Contractual	-	-		116,128	(116,128)
Debt Service	148,216	148,216	(1)	105,752	42,464
Capital outlay	465,000	465,000	(1)	355,525	109,475
Total Expenditures	2,548,216	2,548,216		2,301,948	246,268
Excess of Revenues Over (Under) Expenditures	(658,932)	(658,932)		(296,248)	362,684
Other Financing Sources (Under):					
Transfers In	398,216	398,216		276,956	(121,260)
Transfers Out	(275,000)	(275,000)	(1)	(121,000)	154,000
Total Other Financing Sources (Under)	123,216	123,216		155,956	32,740
Net Change in Fund Balance	(535,716)	(535,716)		(140,292)	395,424
Beginning Balance	537,500	537,500		328,933	(208,567)
Ending Fund Balance	$ 1,784	$ 1,784		$ 188,641	$ 186,857

(1) Appropriation Level

Reconciliation to Government Fund Balance as required to GASB 54

Ending Fund Balance:

Capital Reserve Fund	664,051
Resilience Fund	468,183
	$ 1,320,875

Reconciliation to Statement of Revenues, Expenses and Changes in Net Position - Enterprise Funds:

Capital Assets, net of accumulated depreciation	6,857,938
OPEB Liability (Health Care)	(19,968)
OPEB RHIA asset	12,190
Proportionate Share of net pension liability - PERS	(864,191)
Long Term debt	(2,049,759)
Interest accrual	(24,770)
Compensated abscences	(33,627)
Deferred outflows - OPEB (Health Care)	1,152
OPEB Related Deferrals (Health Care)	(2,529)
Deferred inflows/outflows - RHIA - net	(422)
Deferred inflows/outflows - PERS - net	(2,601)
Ending Net Position	$ 5,194,288

RAINBOW WATER DISTRICT
LANE COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET (BUDGETARY BASIS)
For the Year Ended June 30, 2023

CAPITAL RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:					
Interest	$ 5,000	$ 5,000		$ 19,208	$ 14,208
Total Revenues	5,000	5,000		19,208	14,208
EXPENDITURES:					
Debt Service	200,000	200,000	(1)	-	200,000
Capital Outlay	300,000	300,000	(1)	-	300,000
Total Expenditures	500,000	500,000		-	500,000
Excess of Revenues Over (Under) Expenditures	(495,000)	(495,000)		19,208	514,208
Other Financing Sources (Under):					
Transfers out	-	-	(1)	(128,740)	(128,740)
Transfers In	300,000	300,000		300,000	-
Total Other Financing Sources (Under)	300,000	300,000		171,260	(128,740)
Net Change in Fund Balance	(195,000)	(195,000)		190,468	385,468
Beginning Fund Balance	445,000	445,000		473,583	28,583
Ending Fund Balance	$ 250,000	$ 250,000		$ 664,051	$ 414,051

(1) Appropriation Level

Note: This fund's activities have been combined with the Water Operating Fund activities in accordance with GASB 54 due to it's financing resources being derived primarily from Water Operating Fund and/or Fire Protection Fund transfers.

RAINBOW WATER DISTRICT
LANE COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET (BUDGETARY BASIS)
For the Year Ended June 30, 2023

RESILIENCE FUND

	ORIGINAL BUDGET	FINAL BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:					
Interest	$ 1,500	$ 1,500		$ 9,886	$ 8,386
Total Revenues	1,500	1,500		9,886	8,386
EXPENDITURES:					
Personal services	50,000	50,000	(1)	-	50,000
Materials and services	50,000	50,000	(1)	-	50,000
Total Expenditures	100,000	100,000		-	100,000
Excess of Revenues Over (Under) Expenditures	(98,500)	(98,500)		9,886	108,386
Other Financing Sources (Under):					
Transfers In	275,000	275,000		121,000	(154,000)
Total Other Financing Sources (Under)	275,000	275,000		121,000	(154,000)
Net Change in Fund Balance	176,500	176,500		130,886	(45,614)
Beginning Fund Balance	337,000	337,000		337,297	297
Ending Fund Balance	$ 513,500	$ 513,500		$ 468,183	$ (45,317)

(1) Appropriation Level

Note: This fund's activites have been combined with the General Fund activities in accordance with GASB 54 due to it's financing resources being derived primarily from General Fund transfers.

RAINBOW WATER DISTRICT
LANE COUNTY, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES OF TAXES UNCOLLECTED
For the Year Ended June 30, 2023

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED AT JULY 1, 2022	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT JUNE 30, 2023
Current:						
2022-23	$ 1,741,899	$ 46,601	$ (2,258)	$ 418	$ 1,664,912	$ 28,547
Prior Years:						
2021-22	29,082	169	(1,884)	833	15,707	12,156
2020-21	15,300	181	(1,404)	757	7,741	6,730
2019-20	9,846	173	(1,500)	903	6,648	2,428
2018-19	2,475	(13)	(1,034)	480	904	1,030
Prior	6,792	(1)	(628)	425	531	6,060
Total Prior	63,495	508	(6,449)	3,398	31,531	28,404
Total	$ 1,805,394	$ 47,109	$ (8,708)	$ 3,816	$ 1,696,443	$ 56,951

RECONCILIATION TO REVENUE

Cash Collections by County Treasurer Above	$ 1,696,443
Accrual of Receivables	
June 30, 2022	(6,015)
June 30, 2023	2,377
Change in deferred revenue from prior year (See page 6)	(2,906)
Payments in Lieu of Taxes	5,012
Total Revenue	$ 1,694,911

RAINBOW WATER DISTRICT
LANE COUNTY, OREGON

OTHER INFORMATION

(Individual Fund and Other Financial Schedules)

RAINBOW WATER DISTRICT
LANE COUNTY, OREGON
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2023

WATER OPERATING FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Water sales - retail	$ 1,097,500	$ 1,097,500	$ 1,092,014	$ (5,486)
Water sales - SUB	716,455	716,455	814,551	98,096
Interest income - water	1,200	1,200	5,003	3,803
Reimbursed labor	11,329	11,329	7,114	(4,215)
Account processing fees	-	-	2,695	2,695
Late Fees	-	-	5,260	5,260
Service connection charges	390	390	6,676	6,286
Contract Service - Hydrant Maintenance	4,600	4,600	5,113	513
Contract Service - Marcola	28,000	28,000	26,989	(1,011)
Contract Service - ShangriLa	6,000	6,000	7,377	1,377
Contract Service - Deerhorn	12,000	12,000	21,950	9,950
Misc income	11,810	11,810	10,958	(852)
Total Revenues	1,889,284	1,889,284	2,005,700	116,416
EXPENDITURES:				
Personal services:				
Staff wages	715,587	715,587	593,944	121,643
Extra value bonus	-	-	19,911	(19,911)
Part time and emergency pay	-	-	27,478	(27,478)
Vacation pay expense	-	-	40,831	(40,831)
Sick pay expense	-	-	12,638	(12,638)
Social security and medicare expense	64,030	64,030	51,836	12,194
Workers comp expense	-	-	8,897	(8,897)
Employee insurance expense	184,870	184,870	149,445	35,425
Retirement 457b expense	-	-	166,415	(166,415)
PERS expense	176,200	176,200	16,626	159,574
Personnel Contingency		-	14,368	(14,368)
Total personal services	1,140,687	1,140,687	1,102,389	38,298
Materials and services				
Purification expense	71,000	71,000	56,887	14,113
Purification exp-source		-	4,515	(4,515)
Telephone telemetry	260,000	260,000	23,190	236,810
Pump power	-	-	229,898	(229,898)
Maintenance vehicles	-	-	35,876	(35,876)
Maintenance - District facilities	-	-	132,309	(132,309)
Customer billing	37,200	37,200	17,729	19,471
Interest expense	-	-	41,258	(41,258)
General office	31,500	31,500	17,511	13,989
Special district	8,000	8,000	-	8,000
Bad debt exp		-	1,266	(1,266)
Budget & election exp	-	-	5,141	(5,141)
TempmWorkers	10,000			
Dues, school and convention exp	20,000	20,000	19,612	388
Street light exp	7,200	7,200	6,128	1,072
Maintenance - Land and Buildings	147,600	147,600	-	147,600
Other expense	1,000	1,000	30,834	(29,834)
Total materials and services	593,500	583,500	622,154	(38,654)

RAINBOW WATER DISTRICT
LANE COUNTY, OREGON
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2023

WATER OPERATING FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
Contractual services:				
Insurance expense	46,000	46,000	44,417	1,583
Engineering studies	5,000	5,000	6,770	(1,770)
Financial advisor	-	-	22,744	(22,744)
Legal expense	24,000	24,000	9,386	14,614
Audit expense	32,000	32,000	13,050	18,950
Database Software	4,800	4,800	19,761	(14,961)
Total contractual services	111,800	111,800	116,128	(4,328)
Debt Service	148,216	148,216	105,752	42,464
Total Debt Service	148,216	148,216	105,752	(42,464)
Capital outlay	465,000	465,000	355,525	109,475
Total capital outlay	465,000	465,000	355,525	109,475
Contingency	89,013	-	-	-
Total expenditures	2,548,216	2,449,203	2,301,948	104,791
Other Financing Sources (Uses):				
Transfers In	398,216	398,216	276,956	(121,260)
Transfers Out	(275,000)	(275,000)	(121,000)	154,000
Total Other Financing Sources (Uses)	123,216	123,216	155,956	32,740
Net Change in Fund Balance	(535,716)	(436,703)	(140,292)	253,947
Beginning Fund Balance	537,500	537,500	328,933	(208,567)
Ending Fund Balance	$ 1,784	$ 100,797	$ 188,641	$ 87,844

RAINBOW WATER DISTRICT
LANE COUNTY, OREGON

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

PAULY, ROGERS, AND CO., P.C.
12700 SW 72nd Ave. Tigard, OR 97223
(503) 620-2632 (503) 684-7523 FAX
www.paulyrogersandcocpas.com

December 6, 2023

Independent Auditor's Report Required by Oregon State Regulations

We have audited the basic financial statements of Rainbow Water District as of and for the year ended June 30, 2023, and have issued our report thereon dated December 6, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

As part of obtaining reasonable assurance about whether Rainbow Water District's basic 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 Statues 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 the basic 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.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

In connection with our testing nothing came to our attention that caused us to believe Rainbow Water 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, except as follows:

1. Expenditures were within authorized appropriates except as noted on page 11.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the internal controls over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal controls over financial reporting.

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

Roy R Rogers

Roy R. Rogers, CPA
PAULY, ROGERS AND CO., P.C.