



ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

ANNUAL FINANCIAL REPORT

June 30, 2024

DRAFT



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ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

June 30, 2024

BOARD OF DIRECTORS

Bill Campbell

Bob Cerelli

Tevis Dooley

Sam Garrison

Chris Mastandrea

*All directors receive mail at the District address below.

REGISTERED AGENT

Matt Gardner, District Manager

DISTRICT ADDRESS

32065 E Shingle Mill Lane
Arch Cape, Oregon 97102

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

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FINANCIAL SECTION

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BASIC FINANCIAL STATEMENTS

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ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

June 30, 2024

	Business-Type Activities
ASSETS	
Current assets	
Cash and cash equivalents	\$ 567,324
Prepaid expenses	436
Total current assets	567,760
Capital assets not being depreciated	5,025,827
Capital assets being depreciated, net	737,525
Total assets	6,331,112
LIABILITIES	
Current liabilities	
Long-term liabilities, current portion	17,365
Total current liabilities	17,365
Noncurrent liabilities	
Long-term liabilities, less current portion	323,254
Total liabilities	340,619
NET POSITION	
Net investment in capital assets	396,906
Restricted for debt service	14,852
Unrestricted	5,578,735
Total net position	\$ 5,990,493

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

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the Year Ended June 30, 2024

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>	
		<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Changes in</u>
			<u>Contributions</u>	<u>Contributions</u>	<u>Net Position</u>
					<u>Governmental</u>
					<u>Activities</u>
Business-type activities					
Water operations	\$ 495,014	\$ 278,343	\$ 376,750	\$ 59,412	219,491
General revenues					
Intergovernmental					160,899
Investment income					6,936
Miscellaneous					18,735
Total general revenues					186,570
Change in net position					406,061
Net position - beginning					5,584,432
Net position - ending					\$ 5,990,493

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

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

PROPRIETARY FUNDS

June 30, 2024

	General Fund	Capital Fund	Forest Fund	Total Business-Type Activities
ASSETS				
Current assets				
Cash and cash equivalents	\$ 54,571	\$ 122,039	\$ 390,714	\$ 567,324
Prepaid expenses	436	-	-	436
Total current assets	<u>55,007</u>	<u>122,039</u>	<u>390,714</u>	<u>567,760</u>
Capital assets not being depreciated	5,025,827	-	-	5,025,827
Capital assets being depreciated, net	<u>737,525</u>	<u>-</u>	<u>-</u>	<u>737,525</u>
Total assets	<u>5,818,359</u>	<u>122,039</u>	<u>390,714</u>	<u>6,331,112</u>
LIABILITIES				
Current liabilities				
Long-term debt, current portion	\$ 17,365	\$ -	\$ -	\$ 17,365
Noncurrent liabilities				
Long-term debt, less current portion	<u>323,254</u>	<u>-</u>	<u>-</u>	<u>323,254</u>
Total liabilities	<u>340,619</u>	<u>-</u>	<u>-</u>	<u>340,619</u>
NET POSITION				
Net investment in capital assets	396,906	-	-	396,906
Restricted for debt service	14,852	-	-	14,852
Unrestricted	<u>5,065,982</u>	<u>122,039</u>	<u>390,714</u>	<u>5,578,735</u>
Total net position	<u>\$ 5,477,740</u>	<u>\$ 122,039</u>	<u>\$ 390,714</u>	<u>\$ 5,990,493</u>

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

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
MODIFIED CASH BASIS

PROPRIETARY FUNDS

For the Year Ended June 30, 2024

	General Fund	Capital Fund	Forest Fund	Total Business-Type Activities
OPERATING REVENUES				
Charges for services	\$ 252,208	\$ 26,135	\$ -	\$ 278,343
Total operating revenues	<u>252,208</u>	<u>26,135</u>	<u>-</u>	<u>278,343</u>
OPERATING EXPENSES				
Personnel services	227,507	-	-	227,507
Materials and supplies	171,501	-	2,702	174,203
Repairs and maintenance	-	-	-	-
Depreciation	<u>89,726</u>	<u>-</u>	<u>-</u>	<u>89,726</u>
Total operating expenses	<u>488,734</u>	<u>-</u>	<u>2,702</u>	<u>491,436</u>
Operating income (loss)	(236,526)	26,135	(2,702)	(213,093)
NONOPERATING REVENUES (EXPENSES)				
Intergovernmental	160,899	-	-	160,899
Grants and donations	-	-	436,162	436,162
Investment earnings	11,101	-	14,214	25,315
Miscellaneous	356	-	-	356
Interest paid on long-term debt	<u>(3,578)</u>	<u>-</u>	<u>-</u>	<u>(3,578)</u>
Total nonoperating (revenues) expenses	<u>168,778</u>	<u>-</u>	<u>450,376</u>	<u>619,154</u>
Income before transfers	(67,748)	26,135	447,674	406,061
Transfers in	307,708	-	-	307,708
Transfers out	<u>-</u>	<u>(21,181)</u>	<u>(286,527)</u>	<u>(307,708)</u>
Change in net position	239,960	4,954	161,147	406,061
Net position - beginning, as restated	<u>5,237,780</u>	<u>117,085</u>	<u>229,567</u>	<u>5,584,432</u>
Net position - ending	<u>\$ 5,477,740</u>	<u>\$ 122,039</u>	<u>\$ 390,714</u>	<u>\$ 5,990,493</u>

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

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Year Ended June 30, 2024

	Business-Type Activities - Enterprise Funds			Totals
	General Fund	Capital Fund	Forest Fund	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 252,208	\$ 26,135	\$ -	\$ 278,343
Payments to employees	(227,507)	-	-	(227,507)
Payments to suppliers	(171,937)	-	(2,702)	(174,639)
Net cash provided (used) by operating activities	(147,236)	26,135	(2,702)	(123,803)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Intergovernmental revenue	160,899	-	-	160,899
Capital grants and donations received	-	-	436,162	436,162
Acquisition and construction of capital assets	-	(21,181)	(286,527)	(307,708)
Principal paid on long-term debt	(17,194)	-	-	(17,194)
Interest paid on long-term debt	(3,578)	-	-	(3,578)
Net cash provided (used) by capital and related financing activities	140,127	(21,181)	149,635	268,581
CASH FLOWS FROM INVESTING ACTIVITIES				
Miscellaneous non-operating income	357	-	-	357
Interest received	11,101	-	14,214	25,315
Net cash provided (used) by investing activities	11,458	-	14,214	25,672
Net increase (decrease) in cash and cash equivalents	4,349	4,954	161,147	170,450
Cash and cash equivalents - beginning, as restated	50,222	117,085	229,567	396,874
Cash and cash equivalents - ending	\$ 54,571	\$ 122,039	\$ 390,714	\$ 567,324

(Continued)

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Year Ended June 30, 2024

(Continued)

	Business-Type Activities - Enterprise Funds			
	General Fund	Capital Fund	Forest Fund	Totals
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (236,526)	\$ 26,135	\$ (2,702)	\$ (213,093)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	89,726	-	-	89,726
(Increase) decrease in				
Prepaid expenses	(436)	-	-	(436)
Net cash provided (used) by operating activities	<u>\$ (147,236)</u>	<u>\$ 26,135</u>	<u>\$ (2,702)</u>	<u>\$ (123,803)</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

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ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. Business-type activities, which rely to a significant extent on fees and charges to external customers, are reported by the District.

B. Reporting Entity

Arch Cape Domestic Water Supply District, located in Arch Cape, Oregon, was established under the provisions of Oregon statutes to provide water service for Clatsop County. The District is governed by a five-member board of commissioners elected by voters. One position was open at the end of the current fiscal year.

C. Basis of Presentation - Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The business-type activities column incorporates data from all proprietary funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the government's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major proprietary funds:

General Fund - The General Fund is the District's primary operating fund. It accounts for all financial resources of the District except for those required to be accounted for in another fund. The primary source of revenue are user fees and other general revenues.

Capital Fund - The Capital Fund is used to account for receipts and disbursements set aside for system improvement and expansion expenditures. The primary source of revenue are transfers from the General Fund and investment income. The assets acquired are transferred to the General Fund as depreciable capital assets.

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

Forest Fund – The Forest Fund is used to account for receipts and disbursements related to watershed development projects. The primary sources of revenue are grants and donations. The assets acquired are transferred to the General Fund as depreciable capital assets.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured, such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

This basis recognizes assets, liabilities, net position, revenues, and expenditures when they result from cash transactions, with a provision for depreciation in the government-wide statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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

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

F. Budgetary Information

Annual budgets are adopted on the cash basis of accounting. The District budgets all funds in accordance with the requirements of state law. Annual appropriated budgets are adopted for the general and channel maintenance, and equipment reserve funds.

The District begins its budgeting process by appointing budget committee members. The budget officer prepares a budget, which is reviewed by the budget committee. The budget is then published in proposed form and is presented at public hearings to obtain taxpayer comments and approval from the budget committee. The board of commissioners legally adopts the budget by resolution prior to the beginning of the District's fiscal year.

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

The board resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total personnel services, materials and services, debt service, capital outlay, and contingency for each fund are the levels of control established by the resolution. The detailed budget document, however, is required to contain more specific detailed information for the aforementioned expenditure categories and management may revise the detailed line-item budgets within appropriation categories.

Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution. The board of commissioners may adopt supplemental budgets less than 10% of a fund's original budget at a regular board meeting. A Draft supplemental budget greater than 10% of a fund's original budget requires hearings before the public, publication in newspapers, and approval by the board of commissioners.

Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by the board of commissioners. During the year, there were no supplemental budgets. The District does not use encumbrances, and appropriations lapse at year-end.

Budget amounts shown in the financial statements reflect the original budget amounts and one approved appropriation change.

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position

1. Cash and Cash Equivalents

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

2. Investments

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

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

3. Capital Assets

Capital assets resulting from cash transactions, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost where no historical records exist. The costs of normal maintenance or repairs that do not add to the value of an asset or materially extend its life are charged to expenditures as incurred and are not capitalized. Major capital outlays for capital assets and improvements are capitalized as projects are constructed. Land and construction in progress are not depreciated. The other property, plant, and equipment of the government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Motor Vehicles	7
Water System	18-20
Water Treatment Plant Upgrades	20

4. Long-Term Obligations

In the government-wide financial statements and fund financial statements, long-term debt is reported as a liability in the applicable business-type activities statements.

5. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

H. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

2. Property Taxes

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic remittances of collection to entities levying taxes. Property taxes are levied and become a lien as of July 1 on property values assessed as of June 30. Property taxes are payable in three installments, which are due on November 15, February 15, and May 15.

3. Proprietary Fund Operating and Nonoperating Revenues and Expenses

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

I. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Excess of Expenditures Over Appropriations

During the year ended June 30, 2024, the District expended funds in excess of appropriations as follows:

Fund	Function	Appropriation	Expenditure	Excess
Capital Fund	Capital outlay	\$ -	\$ 21,181	\$ 21,181

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. Cash Deposits with Financial Institutions

Arch Cape Domestic Water Supply District maintains a cash and cash equivalents pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the fund financial statements as cash and cash equivalents. Additionally, several funds held separate cash accounts. Interest earned on pooled cash and investments is allocated to participating funds based upon their combined cash and investment balances.

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

Investments, including amounts held in pooled cash and investments, are stated at fair value. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, investments with a remaining maturity of more than one year at the time of purchase are stated at fair value. The District participates in an external investment pool (State of Oregon Local Government Investment Pool). The Pool is not registered with the U.S. Securities and Exchange Commission as an investment company.

The State's investment policies are governed by the Oregon Revised Statutes (ORS) and the Oregon Investment Council (OIC). The State Treasurer is the investment officer for the OIC and is responsible for all funds in the State Treasury. These funds are invested exercising reasonable care, skill, and caution. Investments in the Pool are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board, which established diversification percentages and specifies the types and maturities of investments. The portion of the external investment pool which belongs to local government investment participants is reported in an Investment Trust Fund in the State's Comprehensive Annual Financial Report (CAFR). A copy of the State's CAFR may be obtained at the Oregon State Treasury, 350 Winter St. N.E., Salem, Oregon 97310-0840.

Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or price 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 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 quoted prices for identical investments in active markets.
- *Level 2* - Observable inputs other than quoted market prices; and,
- *Level 3* - Unobservable inputs.

There were no transfers of assets or liabilities among the three levels of the fair value hierarchy for the year ended June 30, 2024.

Fair values of assets measured on a recurring basis at June 30, 2024 are as follows:

	<u>Level 2</u>
Investments:	
Oregon Local Government Investment Pool	<u>\$ 549,275</u>

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

Credit Risk

Oregon statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the Local Government Investment Pool. The board may authorize the investment or reinvestment of funds that are not immediately needed for operations of the District. Such investments will comply with state law and Oregon Administrative Rules.

Investments

As of June 30, 2024, the District had the following investments:

	Credit Quality Rating	Maturities	Fair Value
Oregon Local Government Investment Pool	Unrated	-	\$ 549,275

Interest Rate Risk

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

Concentration of Credit Risk

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

Custodial Credit Risk - Investments

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

Custodial Credit Risk - Deposits

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

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities.

The District holds accounts at Columbia Bank, for which deposits are insured by the FDIC up to \$250,000. At June 30, 2024, the District had deposits of \$29,127 fully insured by the FDIC.

Deposits

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

Checking accounts	\$	18,049
Total investments		549,275
Total cash and investments	\$	567,324

Cash and investments by fund:

Business-type activities:		
General Fund (book overdraft)	\$	54,571
Capital Fund		122,039
Forest Fund		390,714
Total cash and investments	\$	567,324

B. Restricted Net Position

The amounts reported on the statement of net position identified as restricted net position are comprised of amounts restricted for future debt service.

C. Capital Assets

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

	Capital Assets	Accumulated Depreciation	Net Capital Assets
Business-type activities			
Land	\$ 4,718,120	\$ -	\$ 4,718,120
Construction in progress	307,707	-	307,707
Water system	941,145	(884,889)	56,256
Water treatment plant upgrades	1,436,070	(862,640)	573,430
Motor vehicles	17,925	(16,003)	1,922
Land improvements	117,685	(11,768)	105,917
Total capital assets	\$ 7,538,652	\$ (1,775,300)	\$ 5,763,352

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

Capital asset activity resulting from modified cash basis transactions for the year ended June 30, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets not being depreciated				
Land	\$ 4,718,120	\$ -	\$ -	\$ 4,718,120
Construction in progress	-	307,707	-	307,707
Total capital assets not being depreciated	<u>4,718,120</u>	<u>307,707</u>	<u>-</u>	<u>5,025,827</u>
Capital assets being depreciated				
Water system	941,145	-	-	941,145
Water treatment plant upgrades	1,436,070	-	-	1,436,070
Motor vehicles	17,925	-	-	17,925
Land improvements	117,685	-	-	117,685
Total capital assets being depreciated	<u>2,512,825</u>	<u>-</u>	<u>-</u>	<u>2,512,825</u>
Less accumulated depreciation for				
Water system	(875,411)	(9,478)	-	(884,889)
Water treatment plant upgrades	(790,837)	(71,803)	-	(862,640)
Motor vehicles	(13,443)	(2,560)	-	(16,003)
Land improvements	(5,883)	(5,885)	-	(11,768)
Total accumulated depreciation	<u>(1,685,574)</u>	<u>(89,726)</u>	<u>-</u>	<u>(1,775,300)</u>
Capital assets being depreciated, net	<u>827,251</u>	<u>(89,726)</u>	<u>-</u>	<u>737,525</u>
Business-type activities capital assets, net	<u>\$ 5,545,371</u>	<u>\$ 217,981</u>	<u>\$ -</u>	<u>\$ 5,763,352</u>

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

Business-type activities	
Water operations	<u>\$ 89,726</u>

D. Long-Term Liabilities

1. Changes in Long-Term Liabilities

The following is a summary of long-term liabilities arising from cash transactions for the year:

	Interest Rate	Original Amount	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business Oregon IFA Loan	1.00%	\$ 536,000	\$ 357,813	\$ -	\$ 17,194	\$ 340,619	\$ 17,365

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

2. Business-Type Activities - Interest Expense

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

Business-type activities	
Water operations	\$ <u>3,578</u>

3. Business Oregon IFA Loan

The Business Oregon IRA Loan was issued in December 2014. Interest is fixed at 1.00%. The District used the proceeds to finance the upgrade of the water treatment plant. The General Fund has traditionally been used to liquidate the related debt.

4. Business-Type Activities Future Maturities of Long-Term Liabilities

Year ending June 30	Business Oregon IFA Loan			Totals	
	Principal	Interest	Total	Principal	Interest
2025	\$ 17,365	\$ 3,407	\$ 20,772	17,365	3,407
2026	17,539	3,233	20,772	17,539	3,233
2027	17,715	3,057	20,772	17,715	3,057
2028	17,892	2,880	20,772	17,892	2,880
2029	18,071	2,701	20,772	18,071	2,701
2030-2034	93,099	10,761	103,860	93,099	10,761
2035-2039	97,849	6,011	103,860	97,849	6,011
2040-2042	61,089	1,227	62,316	61,089	1,227
Total	\$ <u>340,619</u>	\$ <u>33,277</u>	\$ <u>373,896</u>	\$ <u>340,619</u>	\$ <u>33,277</u>

IV. OTHER INFORMATION

A. Risk Management

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

B. Intergovernmental Agreement

Arch Cape Domestic Water Supply District has an agreement with Arch Cape Domestic Water Supply District to share personal service costs. The Water Supply District is the employer of two employees and the Sanitary District reimburses the Water Supply District for its share of labor costs, payroll taxes, and employee benefits performed on behalf of the Sanitary District.

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

C. Retirement Plans

1. Oregon Public Employees Retirement System

General Information about the Pension Plan

The Oregon Public Employees Retirement System (OPERS) consists of a cost-sharing, multiple-employer defined benefit plan (Plan) for units of state government, political subdivisions, community colleges, and school districts, containing multiple actuarial pools. Plan assets may be used to pay the benefits of the employees of any employer that provides pensions through the Plan. As of June 30, 2023, there were 945 participating employers.

Plan Membership

As of June 30, 2023, there were 9,502 active plan members, 128,931 retired plan members or their beneficiaries currently receiving benefits, 7,566 inactive plan members entitled to but not yet receiving benefits, for a total of 145,999 Tier One members.

For Tier Two members, as of June 30, 2023, there were 25,243 active plan members, 22,647 retired plan members or their beneficiaries currently receiving benefits, 12,835 inactive plan members entitled to but not yet receiving benefits, for a total of 60,725 Tier Two members.

For Oregon Public Service Retirement Plan (OPSRP) Pension Program members, as of June 30, 2023, there were 153,991 active plan members, 11,959 retired plan members or their beneficiaries currently receiving benefits, 9,492 inactive plan members entitled to but not yet receiving benefits, and 23,207 inactive plan members not eligible for refund or retirements, for a total of 198,649 OPSRP Pension Program members.

Plan Benefits

Plan benefits of the System are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A, and Internal Revenue Code Section 401(a).

Tier One/Tier Two Retirement Benefit (Chapter 238) - OPERS is a defined benefit pension plan that provides retirement and disability benefits, annual cost-of-living-adjustments, and death benefits to members and their beneficiaries. Benefits are established by state statute. This defined benefit pension plan is closed to new members hired on or after August 29, 2003.

Pension Benefits

The OPERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options that are actuarially equivalent to the base benefit. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary.

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

Benefits may also be calculated under a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit 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 One 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 Two members are eligible for full benefits at age 60. Police and Fire members may purchase increased benefits that are payable between the date of retirement and age 65.

Death Benefits

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

- Member was employed by a 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.

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 monthly benefit.

Benefit Changes after Retirement

Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations caused by changes in the fair value of the underlying global equity investments of that account.

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA in fiscal year 2015 and beyond will vary based on the amount of the annual benefit, in accordance with *Moro* decision. The COLA is capped at 2.0 percent.

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

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

Death Benefits

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

Disability Benefits

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

Benefit Changes After Retirement

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA in fiscal year 2015 and beyond will vary based on the amount of the annual benefit, in accordance with *Moro* decision. The COLA is capped at 2.0 percent.

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

OPSRP Individual Account Program (OPSRP 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.

Pension Benefits

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 Individual Account Program (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

OPERS 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. This funding policy applies to the OPERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2020 actuarial valuation, which became effective July 20, 2021. The State of Oregon and certain schools, community colleges, and political subdivisions have made unfunded actuarial liability payments, and their rates have been reduced.

Member contributions are set by statute at six percent of salary and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the members' behalf. As permitted, the District has opted to pick-up the contributions on behalf of its employees.

Employer contributions for the year ended June 30, 2024 were \$25,041.

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

Annual Comprehensive Financial Report (ACFR)

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

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

Actuarial Valuations

The employer contribution rates effective 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 (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) 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 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution 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 liabilities being amortized over 16 years.

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2021
Measurement Date	June 30, 2023
Experience Study	2020, published July 20, 2021
<i>Actuarial Assumptions:</i>	
Actuarial Cost Method	Entry age normal
Inflation Rate	2.40 percent
Long-term Expected Rate of Return	6.90 percent
Discount Rate	6.90 percent
Projected Salary Increases	3.40 percent
Cost of living adjustment (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/.15%) in accordance with <i>Moro</i> decision; blend based on service.

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

Mortality	<p>Health 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.</p> <p>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.</p> <p>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.</p>
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Actuarial valuations of an ongoing plan involve estimates of the 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 methods and assumptions shown above are on the 2020 Experience Study, which reviewed experience for the four-year period ended December 31, 2020. There were no differences between the assumptions and plan provisions used for June 30, 2023 measurement date calculations compared to those shown above.

Actuarial Methods and Assumptions

Assets are valued at their market value. Gains and losses between odd-year valuations are amortized as a level percentage of combined valuation payroll over 20 years from the odd-year valuation in which they are first recognized. For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Oregon PERS and additions to/deductions from Oregon PERS' fiduciary net position have been determined on the same basis as they are reported by Oregon PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined.

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

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 Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Depletion Date Projection

GASB 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for OPERS:

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is our third-party actuary's opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors.

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

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.

For more information on the Plan’s portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS’ audited financial statements at:

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

OIC Target and Actual Investment Allocation as of June 30, 2023

<u>Asset Class/Strategy</u>	<u>OIC Policy Low Range</u>	<u>OIC Policy High Range</u>	<u>OIC Target Allocation²</u>	<u>Actual Allocation</u>
Debt Securities	20.0%	30.0%	25.0%	20.0%
Public Equity	22.5%	32.5%	27.5%	23.3%
Real Estate	9.0%	16.5%	12.5%	13.6%
Private Equity	17.5%	27.5%	20.0%	26.5%
Real Assets	2.5%	10.0%	7.5%	9.1%
Diversifying Strategies	2.5%	10.0%	7.5%	5.0%
Opportunity Portfolio ¹	0.0%	5.0%	0.0%	2.5%
Total			100.0%	100.0%

¹Opportunity Portfolio is an investment strategy. Up to 5% of total Fund assets may be invested in it.

² The target allocation of Debt Securities is increased by 5% and Public Equity is reduced by 2.5% from FY2022, and the allocation to Risk Parity is eliminated.

D. New Pronouncements

For the fiscal year ended June 30, 2024, the District implemented the following new accounting standards:

GASB Statement No. 100, Accounting Changes and Error Corrections. This statement was issued in June 2022 to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

The District will implement applicable new GASB pronouncements no later than the required fiscal year. Management has not determined the effect on the financial statements for implementing any of the following pronouncements:

GASB Statement No. 102, Certain Risk Disclosures. This statement will improve reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. This statement is effective for fiscal years beginning after June 15, 2024.

E. Commitments

During the year, the District entered into several contracts and projects. As of June 30, 2024, the District had one project ongoing for a total cost of \$42,360, of which \$21,180 remained committed.

F. Restatement

The District's previously issued financial statements have been restated as follows:

<u>Report Basis</u>	General Fund	Capital Projects Fund
Net position - beginning, as originally reported	\$ 5,197,548	\$ 157,317
To restate equity between funds	40,232	(40,232)
Net position - beginning, as originally reported	\$ 5,237,780	\$ 117,085
<u>Budget Basis</u>	General Fund	Capital Projects Fund
Net position - beginning, as originally reported	\$ 9,990	\$ 157,317
To reclass equity between funds	40,232	(40,232)
Net position - beginning, as originally reported	\$ 50,222	\$ 117,085

G. Subsequent Events

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

SUPPLEMENTARY INFORMATION

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ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT

Arch Cape, Oregon

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

GENERAL FUND

For the Year Ended June 30, 2024

	Original Budget	Final Budget	Variance with Final Budget Over (Under)	Actual		Modified Cash Basis
				Budget Basis	Adjustments	
REVENUES						
User fees	\$ 201,703	\$ 201,703	\$ 9,061	\$ 210,764	\$ -	\$ 210,764
Excess usage charges	17,000	17,000	654	17,654	-	17,654
Meter hookup fee	1,400	1,400	1,400	2,800	-	2,800
Debt service surcharges	20,740	20,740	(938)	19,802	-	19,802
Sanitary district reimbursement	157,500	157,500	3,399	160,899	-	160,899
Interest	1,000	1,000	10,101	11,101	-	11,101
Miscellaneous	800	800	744	1,544	-	1,544
Total revenues	<u>400,143</u>	<u>400,143</u>	<u>24,421</u>	<u>424,564</u>	<u>-</u>	<u>424,564</u>
EXPENDITURES						
Current						
Personnel services	226,150	270,150	(42,643)	227,507	-	227,507
Materials and services	190,800	208,800	(37,302)	171,498	-	171,498
Capital outlay	2,000	2,000	(1,997)	3	-	3
Debt service	20,772	20,772	(1)	20,771	(17,193)	3,578
Depreciation	-	-	-	-	89,726	89,726
Contingency	66,258	4,258	(4,258)	-	-	-
Total expenditures	<u>505,980</u>	<u>505,980</u>	<u>(86,201)</u>	<u>419,779</u>	<u>72,533</u>	<u>492,312</u>
Excess (deficiency) of revenues over (under) expenditures	(105,837)	(105,837)	110,622	4,785	(72,533)	(67,748)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	307,708	307,708
Net change in fund balance	(105,837)	(105,837)	110,622	4,785	235,175	239,960
Net position - beginning, as restated	<u>105,837</u>	<u>105,837</u>	<u>5,131,943</u>	<u>50,222</u>	<u>5,187,558</u>	<u>5,237,780</u>
Net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,242,565</u>	<u>\$ 55,007</u>	<u>\$ 5,422,733</u>	<u>\$ 5,477,740</u>

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

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

CAPITAL FUND

For the Year Ended June 30, 2024

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual		Modified Cash Basis
			Budget Basis	Adjustments	
REVENUES					
System development charges	\$ 13,162	\$ 12,973	\$ 26,135	\$ -	\$ 26,135
EXPENDITURES					
Capital outlay	-	21,181	21,181	(21,181)	-
Excess (deficiency) of revenues over (under) expenditures	13,162	(8,208)	4,954	21,181	26,135
OTHER FINANCING SOURCES (USES)					
Transfers out	-	-	-	(21,181)	(21,181)
Net change in fund balance	13,162	(8,208)	4,954	-	4,954
Net position - beginning, as restated	75,828	41,257	117,085	-	117,085
Net position - ending	<u>\$ 88,990</u>	<u>\$ 33,049</u>	<u>\$ 122,039</u>	<u>\$ -</u>	<u>\$ 122,039</u>

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

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

FOREST FUND

For the Year Ended June 30, 2024

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual		
			Budget Basis	Modified Cash Basis	
REVENUES					
Grants and donations	\$ 806,626	\$ (370,464)	\$ 436,162	\$ -	\$ 436,162
Investment income	<u>14,625</u>	<u>(411)</u>	<u>14,214</u>	<u>-</u>	<u>14,214</u>
Total revenues	<u>821,251</u>	<u>(370,875)</u>	<u>450,376</u>	<u>-</u>	<u>450,376</u>
EXPENDITURES					
Forest watershed	<u>808,961</u>	<u>(519,732)</u>	<u>289,229</u>	<u>(286,527)</u>	<u>2,702</u>
Excess (deficiency) of revenues over (under) expenditures	12,290	148,857	161,147	286,527	447,674
OTHER FINANCING SOURCES (USES)					
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(286,527)</u>	<u>(286,527)</u>
Net change in fund balance	12,290	148,857	161,147	-	161,147
Net position - beginning	<u>409,103</u>	<u>(179,536)</u>	<u>229,567</u>	<u>-</u>	<u>229,567</u>
Net position - ending	<u>\$ 421,393</u>	<u>\$ (30,679)</u>	<u>\$ 390,714</u>	<u>\$ -</u>	<u>\$ 390,714</u>

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

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