

Financial Statements



**For the fiscal years ended
June 30, 2023 and 2022**



WILLAMETTE RIVER WATER COALITION

Beaverton, Oregon

CONTENTS

	<u>Page</u>
Board Members	1
Review Report of Independent Accountants	3
Management's Discussion and Analysis	5
Basic Financial Statements:	
Statements of Net Position	12
Statements of Revenues, Expenses and Changes in Net Position	13
Statements of Cash Flows	14
Notes to Basic Financial Statements	15
Supplemental Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Year Ended June 30, 2023	20
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Year Ended June 30, 2022	21
Management Representation of Fiscal Affairs Required by Oregon Regulations	23

WILLAMETTE RIVER WATER COALITION

Beaverton, Oregon

WRWC Board Members as of June 30, 2023

Keith Mays, Chair
Councilor, City of Sherwood

Christen Sacco, Vice Chair
Councilor, City of Tualatin

Yi-Kang Hu, Board Member
Councilor, City of Tigard

Todd Sanders, Board Member
Commissioner, Tualatin Valley Water District

Coalition Address

Willamette River Water Coalition
c/o Tualatin Valley Water District
1850 SW 170th Avenue
Beaverton, OR 97003
Ph: (503) 848-3000

Review Report of Independent Accountants

The Board of Directors
Willamette River Water Coalition

We have reviewed the accompanying financial statements of Willamette River Water Coalition, which comprise the statements of net position as of June 30, 2023 and 2022, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the basic financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the basic financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the basic financial statements for them to be in accordance with the accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Willamette River Water Coalition and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying basic financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

The accompanying schedule of revenue, expenditures and changes in fund balances – budget and actual for the years ended June 30, 2023 and 2022 are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the financial statements. Such information, although not a part of the 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 in the required supplementary information in accordance with Statements on Standards for Accounting and Review Services, 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 review of the basic financial statements. We did not perform a compilation, review, or audit on the required supplementary information and 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.



Julie Desimone, Partner, for
Moss Adams, LLP
Portland, Oregon
November 15, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

WILLAMETTE RIVER WATER COALITION

Beaverton, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED JUNE 30, 2023 AND 2022

As management of the Willamette River Water Coalition (the Coalition), a joint venture of Tualatin Valley Water District and the cities of Sherwood, Tigard, and Tualatin, we offer readers of the Coalition's financial statements this overview and analysis of the Coalition's financial activities for the fiscal years ended June 30, 2023, and June 30, 2022. These financial statements include this Management's Discussion and Analysis (MD&A) section to provide users of the basic financial statements with an overview and analysis of the statements.

Financial Highlights

- Net position (assets minus liabilities) was \$8,976 and \$9,207 on June 30, 2023, and June 30, 2022, respectively.
- Net position decreased by \$231 and \$11,209 for years ended June 30, 2023, and June 30, 2022, respectively.
- As of June 30, 2023, and June 30, 2022, the Coalition had no outstanding debt.

Overview of the Financial Statements

Taken together these sections of the financial statements provide a comprehensive financial look at the Coalition. The individual components of the report include the following:

- **Management's Discussion and Analysis.** This section of the report provides an overview of financial highlights and economic factors affecting the Coalition.
- **Basic Financial Statements.** This section includes the Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, Statements of Cash Flows, and Notes to Basic Financial Statements. These statements focus on an entity-wide presentation using the accrual basis of accounting. They are designed to resemble more closely private-sector financial statements in that all activities are consolidated into a total for the Coalition.
 - The Statements of Net Position focus on resources available for future operations. These statements present a snapshot of the assets of the Coalition, its liabilities, and the net difference.
 - The Statements of Revenues, Expenses, and Changes in Net Position focus on the current year operating results and changes in net position as a result of the current year operations.
 - The Statements of Cash Flows focus on how the Coalition obtained and expended its available cash and investments.

WILLAMETTE RIVER WATER COALITION

Beaverton, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED JUNE 30, 2023 AND 2022

- **Notes to Basic Financial Statements.** This section provides additional disclosures required by generally accepted accounting principles and provides information to assist the reader in understanding the Coalition's financial condition.

Statements of Net Position

The Coalition's assets exceeded liabilities by \$8,976 and \$9,207 on June 30, 2023, and June 30, 2022, respectively, a decrease of 2.5% and 56.0% from 2022 and 2021, respectively. Statements of Net Position as of June 30, 2023; June 30, 2022; and June 30, 2021, are as follows:

Table 1:

	<u>2023</u>	<u>2022</u>	<u>2023 -2022</u> <u>Change</u>	<u>Percentage</u> <u>Change</u>	<u>2021</u>
Cash and investments	\$ 283	\$ 708	\$ (425)	-60.0%	\$ 9,638
Accounts receivable	8,280	8,582	(302)	-3.5%	10,609
Interest receivable	413	417	(4)	-1.0%	432
Total Assets	8,976	9,707	(731)	-7.5%	20,679
Accounts payable and accrued liabilities	-	500	(500)	-100.0%	263
Net Position	<u>\$ 8,976</u>	<u>\$ 9,207</u>	<u>\$ (231)</u>	-2.5%	<u>\$ 20,416</u>

The net position declined in FY 2023 and FY 2022 due to management's desire to maintain Net Position between \$5,000 – \$15,000.

WILLAMETTE RIVER WATER COALITION

Beaverton, Oregon

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2023 AND 2022**

Statements of Revenues, Expenses, and Changes in Net Position

The Coalition's Statements of Revenues, Expenses, and Changes in Net Position for the fiscal years ended as of June 30, 2023; June 30, 2022; and June 30, 2021, are as follows:

Table 2:

	<u>2023</u>	<u>2022</u>	<u>2023-2022 Change</u>	<u>Percentage Change</u>	<u>2021</u>
Operating Revenue	\$ 38,304	\$ 30,000	\$ 8,304	27.7%	\$ 40,000
Operating Expenses	<u>38,644</u>	<u>41,304</u>	<u>(2,660)</u>	-6.4%	<u>47,266</u>
Operating Loss	(340)	(11,304)	10,964	-97.0%	(7,266)
Non Operating Income					
Interest income	<u>109</u>	<u>95</u>	<u>14</u>	14.7%	<u>147</u>
Change in Net Position	(231)	(11,209)	10,978	-97.9%	(7,119)
Net Position, beginning of year	<u>9,207</u>	<u>20,416</u>	<u>(11,209)</u>	-54.9%	<u>27,535</u>
Net Position, end of year	<u>\$ 8,976</u>	<u>\$ 9,207</u>	<u>\$ (231)</u>	-2.5%	<u>\$ 20,416</u>

The Coalition's operating expenses totaled \$38,644 and \$41,304 for the years ended June 30, 2023, and June 30, 2022, respectively. This represents a decrease in operating expenses of 6.4% from 2022 and a decrease of 18.2% from 2021, respectively, as shown in Table 2. Administrative and professional services were the bulk of the expenses in 2023 and 2022. Operating revenues declined to keep them in alignment with decreasing operating expenses.

Capital Assets

The Coalition has not invested in capital assets as of June 30, 2023, and June 30, 2022.

Debt Administration

As of June 30, 2023, and June 30, 2022, the Coalition has no outstanding debt.

WILLAMETTE RIVER WATER COALITION

Beaverton, Oregon

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2023 AND 2022**

Economic Factors

Financial records are maintained by Tualatin Valley Water District (the District). Operating expenses are charged to the Coalition as incurred. Consistent with the Coalition's funding structure, administrative costs are charged to all the joint venturers.

On June 7, 2007, the District assigned its 130 million gallons per day (MGD) water right on the Willamette River to the Coalition. On June 21, 2007, the Oregon Water Resources Department issued the Final Order extending the Coalition's Willamette River Water Right Permit (S49240) until October 1, 2047.

Financial Contact

The Coalition's financial statements are designed to present users including taxpayers, citizens, customers, investors, and creditors with a general overview of the Coalition's finances and overall accountability. If you have questions about the contents of this report or need additional financial information, please contact the Tualatin Valley Water District's Chief Financial Officer at 1850 SW 170th Avenue, Beaverton, Oregon, 97003.

BASIC FINANCIAL STATEMENTS

WILLAMETTE RIVER WATER COALITION

Beaverton, Oregon

**STATEMENTS OF NET POSITION
JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and investments	\$ 283	\$ 708
Accounts receivable	8,280	8,582
Interest receivable	413	417
	<hr/>	<hr/>
TOTAL ASSETS	8,976	9,707
LIABILITIES		
Accounts payable and accrued liabilities	-	500
	<hr/>	<hr/>
NET POSITION	<u>\$ 8,976</u>	<u>\$ 9,207</u>

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

WILLAMETTE RIVER WATER COALITION

Beaverton, Oregon

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
OPERATING REVENUES		
Reimbursements from joint venturers	\$ 38,154	\$ 30,000
Other Revenue	150	-
	<hr/>	<hr/>
Total Operating Income	38,304	30,000
OPERATING EXPENSES		
Operating expenses	38,644	41,304
	<hr/>	<hr/>
OPERATING LOSS	(340)	(11,304)
NONOPERATING INCOME		
Interest income	109	95
	<hr/>	<hr/>
CHANGE IN NET POSITION	(231)	(11,209)
NET POSITION, Beginning of year	9,207	20,416
	<hr/>	<hr/>
NET POSITION, End of year	<u>\$ 8,976</u>	<u>\$ 9,207</u>

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

WILLAMETTE RIVER WATER COALITION

Beaverton, Oregon

**STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Reimbursements from joint venturers	\$ 38,456	\$ 32,027
Paid to suppliers for goods and supplies	(39,144)	(41,067)
Other operating revenues	150	-
	<u> </u>	<u> </u>
NET CASH USED BY OPERATING ACTIVITIES	(538)	(9,040)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest	113	110
	<u> </u>	<u> </u>
NET CHANGE IN CASH AND INVESTMENTS	(425)	(8,930)
CASH AND INVESTMENTS, beginning of year	708	9,638
	<u> </u>	<u> </u>
CASH AND INVESTMENTS, end of year	<u>\$ 283</u>	<u>\$ 708</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM (USED BY) OPERATING ACTIVITIES:		
Operating Loss	\$ (340)	\$ (11,304)
Adjustments to reconcile operating loss to net cash from (used by) operating activities:		
Accounts receivable	302	2,027
Accounts payable	(500)	237
	<u> </u>	<u> </u>
NET CASH USED BY OPERATING ACTIVITIES	<u>\$ (538)</u>	<u>\$ (9,040)</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

WILLAMETTE RIVER WATER COALITION

Beaverton, Oregon

**NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Willamette River Water Coalition (the Coalition) was organized under Oregon Revised Statutes (ORS), Chapter 190 and was established by an agreement between the cities of Sherwood, Tigard, Tualatin, and Tualatin Valley Water District (the District). The Coalition is governed by a four-member board, with one member appointed by each jurisdiction. The purpose of the Coalition is to preserve access to the Willamette River as a municipal and industrial water source for each of the growing communities listed above. The Coalition is managed by the District.

Operation and maintenance expense is determined on a unit basis by the Coalition. Each joint venturer's apportioned share of the general administration expenses is determined by the following formula: one half of the administrative costs for the fiscal year is divided evenly among the Coalition's membership; the second half of the total administrative costs of the fiscal year is divided among the Coalition membership according to their percentage share of the total number of water meters served by the members of the Coalition as of December 31st of the preceding fiscal year. The following weighted percentages were in effect on June 30, 2023:

City of Sherwood	15.73	%
City of Tigard	23.20	
City of Tualatin	16.27	
Tualatin Valley Water District	44.80	

Basis of Presentation and Accounting

For financial reporting purposes, the Coalition reports its operations on an enterprise fund basis. Enterprise funds (a propriety fund type) are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, liabilities, and net position associated with the operations are included on Statements of Net Position. The Statements of Revenues, Expenses and Changes in Net Position present increases (revenues) and decreases (expenses) in net position.

The accrual basis of accounting is used for financial reporting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

WILLAMETTE RIVER WATER COALITION

Beaverton, Oregon

**NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation and Accounting (Continued)

The Coalition has defined operating revenues to include all reimbursements and payments received from joint venturers. Operating expenses are defined as those expenses directly related to providing services. Non-operating revenues are revenues of the Coalition not directly attributable to services provided, consisting primarily of interest income.

Use of 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 certain assets, liabilities, revenues, expenses, and other disclosures. Accordingly, actual results may differ from those estimates.

Cash and Investments

Cash and investments of the Coalition are part of a common cash and investment pool maintained for all funds managed by the District. The Coalition considers these items to be demand deposit accounts, where funds may be deposited or withdrawn without prior notice or penalty. Interest earnings are allocated from the District based on the proportion of the Coalition's funds to the total of the District's funds.

Accounts Receivable

Accounts receivable are recorded as earned and no allowance for doubtful accounts is required as all receivables are due from the joint venturers.

Net Position

In the statement of net position, equity is referred to as net position and is unrestricted.

Budgets

The Coalition is an organization formed under ORS, Chapter 190 Intergovernmental Agreement (IGA). The Coalition's IGA requires the Board to adopt an annual work plan and budget. The Coalition's budget is prepared and legally adopted for the Coalition as part of the total budget for the District. The budget is prepared on a biennial basis using the modified accrual basis of accounting and complies with Oregon Local Budget Law. The District's resolution authorizing appropriations sets the level by which expenditures cannot legally exceed appropriations. The level of budgetary control is established at the object classification level (personnel services, materials and services, capital outlay, operating transfers and, contingency).

WILLAMETTE RIVER WATER COALITION

Beaverton, Oregon

**NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022**

2. NET POSITION

Changes in joint venturers' capital for the years ending June 30, 2023, and June 30, 2022, are as follows:

	<u>City of Tigard</u>	<u>City of Tualatin</u>	<u>City of Sherwood</u>	<u>Tualatin Valley Water District</u>	<u>Total</u>
Balance, June 30, 2021	\$ 5,338	\$ 6,272	\$ 6,144	\$ 2,662	\$ 20,416
Change in Member's Capital	(2,611)	(1,827)	(1,762)	(5,009)	(11,209)
Balance, June 30, 2022	2,727	4,445	4,382	(2,347)	9,207
*Change in Member's Capital	(646)	(2,967)	(2,985)	6,367	(231)
Balance, June 30, 2023	<u>\$ 2,081</u>	<u>\$ 1,478</u>	<u>\$ 1,397</u>	<u>\$ 4,020</u>	<u>\$ 8,976</u>

*Member change was calculated per management instructions to align each joint venturer's net position with the weighted percentages.

3. OTHER INFORMATION

Risk Management

The Coalition is exposed to various risks of loss related to torts; theft or damage to and destruction of assets; errors and omissions; and natural disasters for which the Coalition carries commercial insurance. The Coalition does not engage in risk financing activities where risk is retained (self-insurance). Claims have not exceeded insurance coverage in the past three years.

Related-party Transactions

Management fees paid by the Coalition to the District were \$24,000 for both years ended June 30, 2023, and 2022.

Reimbursements from joint venturers were as follows for the years ended June 30:

	<u>2023</u>	<u>2022</u>
City of Tigard	\$ 8,260	\$ 6,987
City of Tualatin	3,275	4,885
City of Sherwood	3,054	4,712
Tualatin Valley Water District	23,565	13,416
	<u>\$ 38,154</u>	<u>\$ 30,000</u>

SUPPLEMENTAL INFORMATION

WILLAMETTE RIVER WATER COALITION

Beaverton, Oregon

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2023**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Reimbursements	\$ 73,150	\$ 73,150	\$ 38,154	\$ (34,996)
Other Income			150	150
Interest on investments	-	-	109	109
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	73,150	73,150	38,413	(34,737)
EXPENDITURES				
Materials and Services	66,500	66,500	38,644	(27,856)
Contingency	6,650	6,650	-	(6,650)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	73,150	73,150	38,644	(34,506)
	<hr/>	<hr/>	<hr/>	<hr/>
Excess of revenues over expenditures, and net change in fund balance	-	-	(231)	(231)
BEGINNING FUND BALANCE	<hr/>	<hr/>	<hr/>	<hr/>
	5,000	5,000	9,207	4,207
ENDING FUND BALANCE	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 5,000	\$ 5,000	\$ 8,976	\$ 3,976
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

WILLAMETTE RIVER WATER COALITION

Beaverton, Oregon

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2022**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Reimbursements	\$ 62,150	\$ 62,150	\$ 30,000	\$ (32,150)
Interest on investments	-	-	95	95
Total Revenues	<u>62,150</u>	<u>62,150</u>	<u>30,095</u>	<u>(32,055)</u>
EXPENDITURES				
Materials and Services	56,500	56,500	41,304	(15,196)
Contingency	<u>5,650</u>	<u>5,650</u>	<u>-</u>	<u>(5,650)</u>
Total Expenditures	<u>62,150</u>	<u>62,150</u>	<u>41,304</u>	<u>(20,846)</u>
Excess of revenues over expenditures, and net change in fund balance	-	-	(11,209)	(11,209)
BEGINNING FUND BALANCE	<u>5,000</u>	<u>5,000</u>	<u>20,416</u>	<u>15,416</u>
ENDING FUND BALANCE	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 9,207</u>	<u>\$ 4,207</u>

Management Representation of Fiscal Affairs

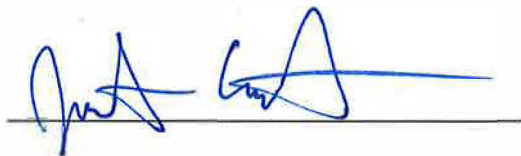
Required by Oregon Regulations

For the year ended June 30, 2023

The Willamette River Water Coalition is subject to, and responsible for, compliance with various laws, rules, and regulations relating to its operations and finances. Amongst such laws, rules, and regulations are the requirements prescribed in Municipal Audit Law (ORS Chapter 297) and the Minimum Standards for Review of Oregon Municipal Corporations (OAR 162, Division 40) including, but not limited to:

- Deposit of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions, and repayment.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Highway revenues used for public highways and roads (ORS Chapters 294, 368, and 373).
- Authorized investment of surplus funds (ORS Chapter 294).
- Public Contracts, purchasing, and improvements (ORS Chapters 279A, 279B, and 279C).

The management of Willamette River Water Coalition is aware of the requirements of Oregon laws and administrative rules concerning each of the above requirements and has complied, in all material respects, with such requirements. Further, we are not aware of any violations or possible violations of laws, rules, or regulations, whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.



Justin Carlton

Date

November 16, 2023

Interim Chief Financial Officer, Tualatin Valley Water District

WRWC Mission

Maintain the public's rights on the
Willamette River for local and regional needs



Home of the Tualatin River National Wildlife Refuge



City of Tualatin



TUALATIN VALLEY
WATER DISTRICT

