



**Financial Statements**  
For the fiscal years ended  
June 30, 2020 and 2019



**WILLAMETTE RIVER WATER COALITION**

*Beaverton, Oregon*

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**WILLAMETTE RIVER WATER COALITION**

*Beaverton, Oregon*

***WRWC Board Members as of June 30, 2020***

John Goodhouse, Chair  
Councilor, City of Tigard

Todd Sanders, Vice Chair  
Commissioner, Tualatin Valley Water District

Tim Rosener, Board Member  
Mayor, City of Sherwood

Bridget Brooks, Board Member  
Councilor, City of Tualatin

***WRWC Registered Agent***

David Kraska, PE  
Willamette River Water Coalition's Administrative Headquarters  
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, 2020 and 2019, and the related statements of revenues and expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the 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 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 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 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 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.

### ***Accountant's Conclusion***

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

### ***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 do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary and Other Information***

The accompanying supplementary and other information included on pages 17 and 19 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management. We have not audited or reviewed such information and we do not express an opinion, a conclusion, nor provide any assurance on it.

*Moss Adams LLP*

Portland, Oregon  
December 9, 2020





**MANAGEMENT'S DISCUSSION AND ANALYSIS**

## WILLAMETTE RIVER WATER COALITION

Beaverton, Oregon

### **MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED JUNE 30, 2020 AND 2019**

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As management of the Willamette River Water Coalition (the Coalition), a joint venture of Tualatin Valley Water District and the cities of Sherwood, Tualatin, and Tigard, 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, 2020 and June 30, 2019. 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 (asset minus liabilities) was \$27,535 and \$8,109 at June 30, 2020 and June 30, 2019 respectively.
- As of June 30, 2020, and June 30, 2019 the Coalition had no outstanding debt.
- Net position increased by \$19,426 for the year ended June 30, 2020 and \$5,523 for the year ended June 30, 2019.

#### **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 layout 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 snap-shot 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 the change in capital as a result of the current year operations.
  - The Statements of Cash Flows focuses on how the Coalition obtained and expended its available cash and investments.
- **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.

**WILLAMETTE RIVER WATER COALITION**

Beaverton, Oregon

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED JUNE 30, 2020 AND 2019**

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**Statements of Net Position**

The Coalition's assets exceeded liabilities by \$27,535 and \$8,109 at June 30, 2020 and June 30, 2019 respectively, an increase of 239.6% from 2019, and 964.8% from 2018 as shown in Table 1. A condensed version of the Statements of Net Position as of June 30, 2020; June 30, 2019; and June 30, 2018 is as follows:

**Table 1:**

	<u>2020</u>	<u>2019</u>	<u>2020 -2019 Change</u>	<u>Percentage Change</u>	<u>2018</u>
Cash and investments held by Tualatin Valley Water District	\$ -	\$ 24,290	\$ (24,290)	-100.0%	\$ 2,162
Accounts receivable	29,897	20,000	9,897		-
Interest receivable	<u>444</u>	<u>459</u>	<u>(15)</u>	-3.3%	<u>424</u>
Total Assets	30,341	44,749	(14,408)		2,586
Accounts Payable and accrued liabilities	<u>2,806</u>	<u>36,640</u>	<u>(33,834)</u>	-92.3%	<u>-</u>
Net Position	<u>\$ 27,535</u>	<u>\$ 8,109</u>	<u>\$ 19,426</u>	239.6%	<u>\$ 2,586</u>

**WILLAMETTE RIVER WATER COALITION**

Beaverton, Oregon

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED JUNE 30, 2020 AND 2019**

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**Statements of Revenues, Expenses and Changes in Net Position**

A condensed version of the Coalition's Statements of Revenues, Expenses and Changes in Net Position for the fiscal years ended as of June 30, 2020; June 30, 2019; and June 30, 2018 is as follows:

**Table 2:**

	<u>2020</u>	<u>2019</u>	<u>2020 -2019 Change</u>	<u>Percentage Change</u>	<u>2018</u>
<b>Operating Revenue:</b>					
Reimbursements	\$ 85,000	\$ 83,000	\$ 2,000	2.4%	\$ 8,000
<b>Operating Expenses:</b>	<u>65,713</u>	<u>77,765</u>	<u>(12,052)</u>	-15.5%	<u>29,600</u>
<b>Operating Income (Loss)</b>	19,287	5,235	14,052	268.4%	(21,600)
<b>Non Operating Income:</b>					
Interest income	<u>139</u>	<u>288</u>	<u>(149)</u>	-51.7%	<u>112</u>
<b>Change in Net Position</b>	19,426	5,523	13,903	251.7%	(21,488)
<b>Net Position, beginning of year</b>	<u>8,109</u>	<u>2,586</u>	<u>5,523</u>	213.6%	<u>24,074</u>
<b>Net Position, end of year</b>	<u>\$ 27,535</u>	<u>\$ 8,109</u>	<u>\$ 19,426</u>	239.6%	<u>\$ 2,586</u>

The cost of the Coalition's activities totaled \$65,713 and \$77,765 for the years ended June 30, 2020, and June 30, 2019, respectively, a 15.5% decrease from 2019 and 122.0% increase from 2018, as shown in Table 2. Administrative and professional services were the bulk of the expenses in 2020 and 2019. In fiscal year 2020 the Coalition incurred \$36,640 in a Willamette Basin Review Feasibility Study.

**Capital Assets**

The Coalition has not invested in capital assets at June 30, 2020.

**Debt Administration**

As of June 30, 2020, the Coalition has no outstanding debt.

**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.

## **WILLAMETTE RIVER WATER COALITION**

Beaverton, Oregon

### **MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED JUNE 30, 2020 AND 2019**

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#### **Water Rights**

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, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and investments held by Tualatin Valley Water District	\$ -	\$ 24,290
Accounts receivable	29,897	20,000
Interest receivable	444	459
	<u>\$ 30,341</u>	<u>\$ 44,749</u>
 <b>LIABILITIES AND JOINT VENTURER'S CAPITAL</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 2,806	\$ 36,640
 <b>NET POSITION - UNRESTRICTED</b>	<u>27,535</u>	<u>8,109</u>
 <b>TOTAL LIABILITIES AND NET POSITION - UNRESTRICTED</b>	<u>\$ 30,341</u>	<u>\$ 44,749</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, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>OPERATING REVENUES</b>		
Reimbursements from joint venturers	\$ 85,000	\$ 83,000
<b>OPERATING EXPENSES</b>		
Operating expenses	<u>65,713</u>	<u>77,765</u>
<b>OPERATING INCOME</b>	19,287	5,235
<b>NONOPERATING INCOME</b>		
Interest income	<u>139</u>	<u>288</u>
<b>CHANGE IN NET POSITION</b>	19,426	5,523
<b>NET POSITION, Beginning of year</b>	<u>8,109</u>	<u>2,586</u>
<b>NET POSITION, End of year</b>	<u>\$ 27,535</u>	<u>\$ 8,109</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, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Reimbursements from joint venturers	\$ 75,103	\$ 63,000
Paid to suppliers for goods and supplies	(99,547)	(41,125)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>(24,444)</u>	<u>21,875</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest	154	253
<b>NET CHANGE IN CASH AND INVESTMENTS HELD BY TUALATIN VALLEY WATER DISTRICT</b>	(24,290)	22,128
<b>CASH AND INVESTMENTS HELD BY TUALATIN VALLEY WATER DISTRICT, beginning of year</b>	<u>24,290</u>	<u>2,162</u>
<b>CASH AND INVESTMENTS HELD BY TUALATIN VALLEY WATER DISTRICT, end of year</b>	<u><u>\$ -</u></u>	<u><u>\$ 24,290</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:</b>		
Operating income	\$ 19,287	\$ 5,235
Adjustments to reconcile operating income to net cash from (used by) operating activities		
Change in operating accounts:		
Accounts receivable	(9,897)	(20,000)
Accounts payable	(33,834)	36,640
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u><u>\$ (24,444)</u></u>	<u><u>\$ 21,875</u></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, 2020 AND 2019**

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**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 Tigard, Tualatin, Sherwood, 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 potential 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 venturers' 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 percentages were in effect at June 30, 2020:

City of Tigard	22.73	%
City of Tualatin	16.01	
City of Sherwood	15.62	
Tualatin Valley Water District	45.64	

**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, 2020 AND 2019**

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#### **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 held by Tualatin Valley Water District**

Cash and investments of the Coalition are part of a common cash and investment pool maintained for all funds managed by Tualatin Valley Water District (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 which requires the Board to adopt a work plan and budget. The Coalition is accounted for as a fund within the structure of the District, where the 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 as a separate fund on the modified accrual basis of accounting and complies with Oregon Local Budget Law. The District's resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. The level of budgetary control is established at the object classifications (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, 2020 AND 2019**

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#### **2. JOINT VENTURERS' CAPITAL**

Changes in joint venturers' capital for the years ending June 30, 2018, June 30, 2019, and June 30, 2020 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>
<b>Balance, June 30, 2018</b>	\$ 1,320	\$ 3,432	\$ 3,367	\$ (5,533)	\$ 2,586
Change in Member's Capital	<u>1,257</u>	<u>891</u>	<u>861</u>	<u>2,514</u>	<u>5,523</u>
<b>Balance, June 30, 2019</b>	2,577	4,323	4,228	(3,019)	8,109
Change in Member's Capital	<u>4,415</u>	<u>3,110</u>	<u>3,035</u>	<u>8,866</u>	<u>19,426</u>
<b>Balance, June 30, 2020</b>	<u>\$ 6,992</u>	<u>\$ 7,433</u>	<u>\$ 7,263</u>	<u>\$ 5,847</u>	<u>\$ 27,535</u>

#### **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, 2020 and 2019. Reimbursements from joint venturers were as follows for the years ended June 30:

	<u>2020</u>	<u>2019</u>
City of Tigard	\$ 19,317	\$ 18,895
City of Tualatin	13,609	13,399
City of Sherwood	13,279	12,940
Tualatin Valley Water District	<u>38,795</u>	<u>37,766</u>
	<u>\$ 85,000</u>	<u>\$ 83,000</u>

**SUPPLEMENTAL INFORMATION**

**WILLAMETTE RIVER WATER COALITION**

Beaverton, Oregon

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEARS ENDED JUNE 30, 2020 AND 2019**

	<b>Budget</b>		<b>Actual</b>	<b>Variance with final budget</b>	<b>Actual</b>
	<b>Original</b>	<b>Final</b>	<b>Fiscal Year 2020</b>		<b>Fiscal Year 2019</b>
<b>REVENUES</b>					
Reimbursements	\$ 84,500	\$ 84,500	\$ 85,000	\$ 500	\$ 83,000
Interest on investments	569	569	139	(430)	288
Total Revenues	85,069	85,069	85,139	70	83,288
<b>EXPENDITURES</b>					
Materials and Services	84,500	84,500	65,713	18,787	77,765
Contingency	-	-	-	-	-
Total Expenditures	84,500	84,500	65,713	18,787	77,765
Excess of revenues over expenditures, and net change in fund balance	569	569	19,426	18,857	5,523
<b>BEGINNING FUND BALANCE</b>	15,238	15,238	8,109	(7,129)	2,586
<b>ENDING FUND BALANCE</b>	<u>\$ 15,807</u>	<u>\$ 15,807</u>	<u>\$ 27,535</u>	<u>\$ 11,728</u>	<u>\$ 8,109</u>



**Management Representation of Fiscal Affairs**

**Required by Oregon Regulations**

**For the year ended June 30, 2020**

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.



Paul L. Matthews

Chief Financial Officer, Tualatin Valley Water District

December 10, 2020

Date





# WRWC Mission

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

