

ROBERTS CREEK WATER DISTRICT
ROSEBURG, OREGON

Audited Financial Report

JUNE 30, 2020 and 2019

ROBERTS CREEK WATER DISTRICT

June 30, 2020

BOARD OF COMMISSIONERS

		<u>Term Expires</u>	<u>Position</u>
Tracey Parker 2110 Freeman Ave. Roseburg, OR 97471-4704	President	July 2021	4
Tom Fullbright 5267 Grange Rd Roseburg, OR 97471	Secretary	July 2021	5
Carolyn White 631 Roberts Mountain Rd Roseburg, OR 97471	Treasurer	July 2021	1
Phillip Bigler 310 Jamie Loop Roseburg, OR 97471	Commissioner	July 2023	2
Stephen Lusch 182 Summerwood Roseburg, OR 97471	Vice-President	July 2023	3

OFFICE MANAGER

David Campos
1858 NE Sunset St
Roseburg, OR 97470

SUPERINTENDENT

Alan Paulson
4751 Happy Valley Rd.
Roseburg, OR 97471

REGISTERED AGENT

David Campos

ROBERTS CREEK WATER DISTRICT

June 30, 2020

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Roberts Creek Water District
4336 Old Highway 99S
Roseburg, OR 97471-4478

Dear Board Members:

We have audited the accompanying financial statements of the business type activities and each major fund of Roberts Creek Water District as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collective comprise of the District's financial statements as listed in the table of contents.

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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of business type activities and each major fund of Roberts Creek Water District as of June 30, 2020 and 2019, and the respective changes in financial position and cash flows thereof for the years ended in accordance with accounting principles generally accepted in the United States of America.

**Roberts Creek Water District
Independent Auditor's Report**

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinion on the financial statements that collectively comprise the Roberts Creek Water District's basic financial statements. The supplementary information and other supplemental data listed in the table of contents is presented for purposes of additional analysis and are not a part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

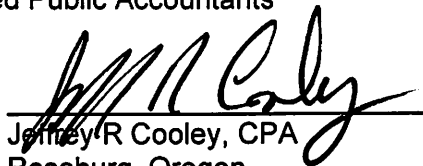
The other supplemental data has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Oregon Revised Statutes

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 28, 2020, on our consideration of the District's compliance with certain provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-100 to 162-10-320. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion.

Neuner Davidson & Co
Certified Public Accountants

By:


Jeffrey R Cooley, CPA
Roseburg, Oregon
December 28, 2020

Management's Discussion and Analysis

ROBERTS CREEK WATER DISTRICT
Management's Discussion and Analysis
for the Year Ending June 30, 2020

The following discussion and analysis of Roberts Creek Water District's (the District) financial performance presents management's overview of the District's financial activities for the fiscal year ended June 30, 2020. The discussion and analysis is intended to serve as an introduction to the District's basic financial statements. Please read it in conjunction with the District's basic financial statements, which begin immediately following this analysis.

Roberts Creek Water District uses fund accounting to maintain control over resources and expenditures that have been segregated for specific activities or objectives and to ensure and demonstrate compliance with finance-related legal requirements.

The District's basic operating services as reported in the General Fund (Enterprise Fund) focus on how the money flows into the District through mainly water sales and meter sales (Revenues and Expenditures) for normal operating costs.

The Capital Projects Fund is used to record large improvements or repairs to the water system's infrastructure. Projects completed with System Development Charges are tracked through this fund. Capital Projects' main source of revenue is from the SDC portion of meter sales, and a transfer from the General Fund generated from water sales. State law dictates how money derived from System Development Charges may be spent.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District's basic financial statements presented herein include all of the activities of the District as prescribed by GASB Statement No. 34. The basic financial statements are comprised of three components: (1) government-wide financial statements beginning on Page 10 of this report, (2) notes to financial statements beginning on Page 15 of this report, and (3) supplementary information beginning on Page 26 of this report.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements present the financial picture of the District from the economic resources measurement focus using the accrual basis of accounting.

- The *Statement of Net Position* presents information on all of the District's assets and liabilities, with the difference between the two reported as Net Position. Over time, increases or decreases in the net assets may serve as a useful indicator showing if the financial position of the District is improving or deteriorating. The net position section is displayed in three categories: 1) Investment in Capital Assets, 2) Restricted, and 3) Unrestricted. The Statement of Net Position can be found on pages 10 and 11.

ROBERTS CREEK WATER DISTRICT
Management's Discussion and Analysis
for the Year Ending June 30, 2020

- The *Statement of Revenues, Expenses and Changes in Net Position* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to change occurs, regardless of the timing of related cash flows. This statement measures the success of the District's operations during the year and can be used to determine whether the District has recovered its costs through user fees and charges. The *Statement of Revenues, Expenses and Changes in Net Position* can be found on page 12.
- The *Statement of Cash Flows* presents a summary of the cash flows from operations and investments during the reporting period. The *Statement of Cash Flows* also reconciles the reasons why cash from operating activities differs from operating income. The *Statement of Cash Flows* can be found on pages 13 and 14.

PROPRIETARY FUNDS

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to those found in the private sector where the intent of the governing body is that the costs and expenses of providing goods or services to the general public on a continuing basis be financed or recovered primarily through fees and user charges.

The District reports a single proprietary fund in the basic financial statements, however, uses two funds for budgetary purposes - The Enterprise Fund and the Capital Projects Fund. Information is presented separately in the proprietary fund Balance Sheet and Statement of Revenues and Expenditures and Changes in Fund Balances for the Enterprise Fund and Capital Projects, which are considered major funds.

Because the focus of proprietary funds is narrower than that of governmental-wide financial statements, it is useful to compare the information presented for proprietary funds with similar information presented, proprietary activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the proprietary fund *Balance Sheet* and *Statement of Revenues, Expenditures and Changes in Fund Balances* are reconciled to the government-wide *Statement of Net Position* and *Statement of Revenues, Expenses and Changes in Net Position*.

The District adopts an annual operating budget for all funds. A budgetary comparison statement to demonstrate compliance with this budget is provided for these funds beginning on Page 29. The proprietary fund financial statements can be found on Pages 26 through 29 of this report.

INTERNAL SERVICE FUNDS

The District does not maintain any Internal Service Funds.

ROBERTS CREEK WATER DISTRICT
Management's Discussion and Analysis
for the Year Ending June 30, 2020

FIDUCIARY FUNDS

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that used for internal services fund.

The District does not maintain any Fiduciary Funds.

NOTES TO THE BASIC FINANCIAL STATEMENTS

These notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. Notes to the basic financial statements can be found on Pages 15 through 25 of this report.

OVERALL FINANCIAL ANALYSIS OF THE DISTRICT

(Government-Wide Financial Statements)

Net Position – The District's net position increased by \$129,080 (from \$8,653,867 to \$8,782,947) during the fiscal year 2019-20. Net position invested in capital assets decreased by \$19,688. Restricted Net Position increased by \$165,273. Unrestricted net position decreased by \$16,505.

Change in Net Position – The District's operating revenues decreased by \$17,352 from \$2,189,745 in 2018-19 to \$2,172,393 in 2019-20. Although revenues from water sales decreased by approximately \$77,000 from the prior year, meter sales in 2019-20 surpassed the prior year by approximately \$50,000, signaling considerable economic development in the District. Also affecting the fiscal year 2019-20 operating revenues, though to a lesser extent, was a decrease in water service fees and penalties assessed. Due to the coronavirus pandemic economic lockdown, delinquency and shut off procedures were waived for several months.

Operating Expenses -- Operating expenses increased from \$1,804,271 to \$1,986,074 (an increase of \$181,803) primarily due to increases in personnel costs. The District added additional FTE for the 2019-2020 year.

The District's non-operating revenues decreased by \$5,576 due to dropping interest rates on the LGIP investments.

Non operating expenses decreased by \$7,988. Interest expense decreased slightly in the 2019-20 fiscal year, as the treatment plant upgrade refunding loan continues to be paid down.

There were no lines installed by contractors during the 2019-20 fiscal year.

ROBERTS CREEK WATER DISTRICT

Management's Discussion and Analysis for the Year Ending June 30, 2020

FINANCIAL HIGHLIGHTS – PROPRIETARY FUND FINANCIAL STATEMENTS

The most significant source of operating revenue for the District is water sales. Revenue in the General Fund (Enterprise Fund) decreased by \$31,563

	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020 vs 2019 Increase/ (Decrease)</u>
Water Sales	1,862,919	2,028,413	1,951,168	(77,245)
Meter Sales	55,748	80,336	130,112	49,776
Standby Charges	18,606	17,778	18,054	276
Grant Proceeds	-	4,637	-	(4,637)
Special Surcharge (Lines)	-	-	-	-
Special Surcharge (Tank)	-	-	18,193	18,193
Backflow Test Receipts	4,090	3,361	2,739	(622)
Miscellaneous	48,035	34,825	34,654	(171)
Water Service Fees/Penalties	-	20,395	17,480	(2,915)
Interest	9,514	55,417	49,841	(5,576)
	<u>\$ 1,998,912</u>	<u>\$ 2,245,162</u>	<u>\$ 2,222,241</u>	<u>\$ (22,921)</u>

Expenses in the General Fund (Enterprise Fund) increased by \$100,052.

BUDGETARY COMPARISONS

Enterprise Fund

Revenues:

Actual meter sales were \$4,300 higher than budget expectations. We generally project District growth on the conservative side and recently there has been significant economic development within the District, resulting in higher than expected connection fees.

Interest revenue did not meet budget expectations due to a falling interest rate in the LGIP, an indirect result of the recent economic downturn from the coronavirus pandemic. Water Services Fee & Penalties revenue did not meet budget expectations for the same reason.

ROBERTS CREEK WATER DISTRICT
Management's Discussion and Analysis
for the Year Ending June 30, 2020

The District collected \$18,193 in revenues from Special Surcharges in 2019-20. The amount of revenue and payment of the Special System Development Surcharge Tank & Lines is undeterminable due to being collectible strictly by the sale of the property to which the charges are attached. Therefore, the amount collected can make the comparison between actual and budget appear skewed.

Expenditures:

Actual expenditures for merchant service fees exceeded budgeted amounts by \$4,136. As more customers utilize the Customer Web Portal we now offer for account payments, the District's merchant services fees will increase. The District also incurred \$2,650 in consulting fees related to the potential formation of a joint water and sanitary authority with Green Sanitary District of Roseburg, Oregon. The consulting fees were not a budgeted expenditure in the 2019-2020 fiscal year.

Capital Projects

Revenues:

Actual meter sales were \$65,812 over budgeted amounts. Increased economic activity has led to new construction in the district. Grant and loan proceeds of \$750,000 were budgeted for the 2019-2020 fiscal year, however, construction on the new Town Tank Reservoir will not begin until the 2020-2021 fiscal year.

Expenditures:

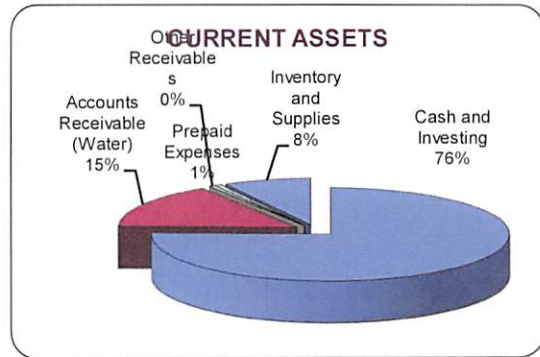
The District made improvements to the water treatment plant during the 2019-2020 fiscal year, including the installation of new magnetic flow meters, a new MIOX system, and a power transfer switch. The District also incurred engineering costs associated with the new town tank reservoir, which is expected to be completed later in the 2020-2021 fiscal year.

Roberts Creek Water District Board of Commissioners and staff are continually faced with the challenge of replacing aging infrastructure, complying with new requirements in the water purveyor's industry, and maintaining a stable source, quantity and delivery of water for our existing and future customers. In the 2020-2021 fiscal year, the District plans to complete the addition of a new water storage tank on Old Hwy 99 S, referred to as the Town Tank.

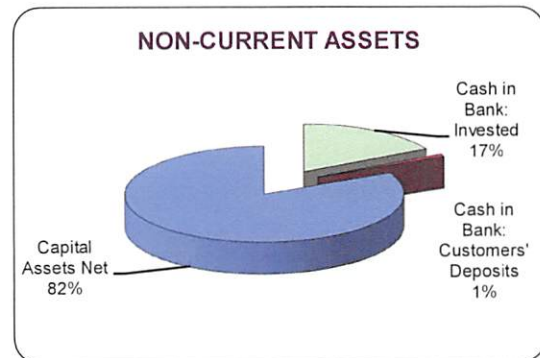
The Board of Commissioners have filed a petition to the Douglas County Board of Commissioners for the formation of a joint water and sanitary authority with Green Sanitary District. An economic feasibility study was conducted to accompany the petition. According to the study, the consolidation of Roberts Creek Water District and Green Sanitary District would yield annual cost savings of approximately \$380,000. Upon a successful petition, a ballot measure will be decided by the electors of the District in an upcoming special district election, likely May 2021.

ROBERTS CREEK WATER DISTRICT

	2017-18	2018-19	2019-20
TOTAL CURRENT ASSETS	751,714	960,221	945,396
Cash and Investing	535,322	717,178	714,413
Accounts Receivable (Water)	140,934	161,080	146,780
Other Receivables	-	934	4,435
Prepaid Expenses	6,754	6,832	5,660
Inventory and Supplies	68,704	74,197	74,108

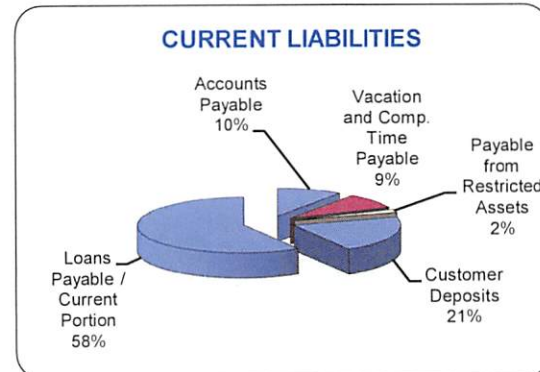


	2017-18	2018-19	2019-20
NON-CURRENT ASSETS	12,936,105	12,718,243	12,555,642
Cash in Bank: Invested	1,783,250	1,981,755	2,145,973
Cash in Bank: Customers' Deposits	103,417	105,042	106,097
Capital Assets Net	11,049,438	10,631,446	10,303,572



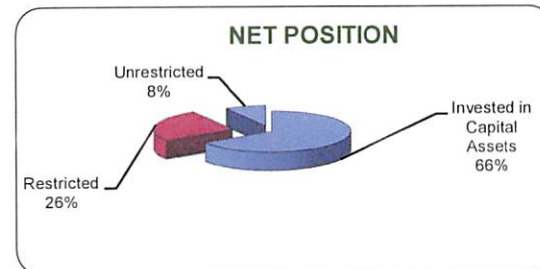
	2017-18	2018-19	2019-20
Total Assets	13,687,819	13,678,464	13,501,038
Total Non-Current Assets	12,936,105	12,718,243	12,555,642
TOTAL CURRENT ASSETS	751,714	960,221	945,396

	2017-18	2018-19	2019-20
Total Current Liabilities	542,833	492,656	504,336
Accounts Payable	76,504	54,326	49,754
Vacation and Comp. Time Payable	37,202	39,011	44,820
Payable from Restricted Assets	10,920	9,277	8,665
Customer Deposits	103,417	105,042	106,097
Loans Payable / Current Portion	314,790	285,000	295,000



	2017-18	2018-19	2018-19
Loans Payable/Non Current	4,816,942	4,531,941	4,213,748
TOTAL LIABILITIES	5,359,775	5,024,597	4,718,084

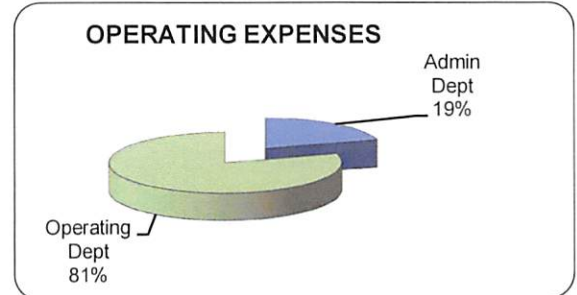
	2017-18	2018-19	2019-20
NET POSITION			
Invested in Capital Assets	5,917,951	5,814,749	5,795,068
Restricted	1,886,667	2,086,797	2,252,070
Unrestricted	523,426	752,321	735,816



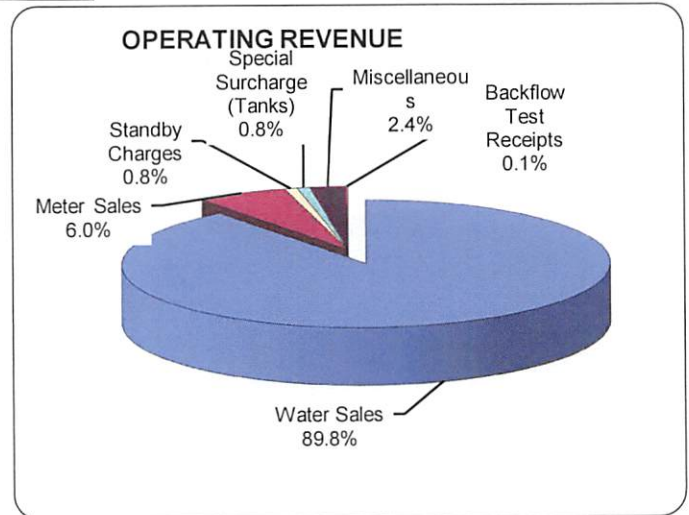
	2017-18	2018-19	2019-20
TOTAL NET POSITION	8,328,044	8,653,867	8,782,954

ROBERTS CREEK WATER DISTRICT

	2017-18	2018-19	2019-20
OPERATING EXPENSES	1,790,108	1,804,271	1,986,074
Administrative Department	377,151	373,033	407,281
Operating Department	1,412,957	1,431,238	1,578,793



	2017-18	2018-19	2019-20
OPERATING REVENUES	1,989,398	2,185,108	2,172,400
Water Sales	1,862,919	2,028,413	1,951,168
Meter Sales	55,748	80,336	130,112
Standby Charges	18,606	17,778	18,054
Special Surcharge (Tanks)	-	-	18,193
Miscellaneous	48,035	55,220	52,134
Backflow Test Receipts	4,090	3,361	2,739



	2017-18	2018-19	2019-20
NON-OPERATING REVENUES	9,514	55,417	49,841
Interest	9,514	55,417	49,841

	2017-18	2018-19	2019-20
CAPITAL CONTRIBUTION			
Developer Contributions	none	none	none

Basic Financial Statements



ROBERTS CREEK WATER DISTRICT

Statement of Net Position June 30, 2020 and 2019

	Business - Type Activities	
	2020	2019
<u>Assets</u>		
Current Assets:		
Cash and Cash Equivalents	\$714,413	\$717,178
Accounts Receivable, Net:		
Water	146,780	161,080
Miscellaneous	4,435	934
Inventory and Supplies	74,108	74,197
Prepaid Expenses	5,660	6,832
Total Current Assets	945,396	960,221
Noncurrent Assets:		
Restricted Assets		
Cash in Bank-Capital Projects	2,145,973	1,981,755
Cash in Bank-Customer's Deposits	106,097	105,042
Capital Assets Net	10,303,572	10,631,446
Total Noncurrent Assets	12,555,642	12,718,243
Total Assets	13,501,038	13,678,464

		Business - Type Activities	
		2020	2019
<u>Liabilities and Net Position</u>			
Liabilities:			
Current Liabilities:			
Accounts Payable		49,754	54,326
Vacation and Comp. Time Payable		44,820	39,011
Payable from Restricted Assets:			
Accrued Interest		8,665	9,277
Customer Deposits		106,097	105,042
Loans Payable-Current Portion		295,000	285,000
Total Current Liabilities		504,336	492,656
Non Current Liabilities:			
Uncashed Funds Outstanding		244	244
Loan Payable - Douglas County		398,504	416,697
Loan Payable - Treatment Plant Upgrade		3,815,000	4,115,000
Total Non Current Liabilities		4,213,748	4,531,941
Total Liabilities		4,718,084	5,024,597
Net Position:			
Invested in Capital Assets		5,795,068	5,814,749
Restricted		2,252,070	2,086,797
Unrestricted		735,816	752,321
Total Net Position		\$8,782,954	\$8,653,867

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



Statement of Revenues, Expenses and Changes in Net Position
For The Fiscal Years Ended June 30, 2020 and 2019

	2020	2019
Operating Revenues:		
Water Sales	\$1,951,168	\$2,028,413
Meter Sales	130,112	80,336
Standby Charges	18,054	17,778
Special Surcharge (Tanks)	18,193	-
Grant Proceeds	-	4,637
Backflow Test Reciepts	2,739	3,361
Water Service Fees & Penalties	17,480	20,395
Miscellaneous	34,654	34,825
Total Operating Revenues	<u>2,172,400</u>	<u>2,189,745</u>
Operating Expenses:		
Administrative Department:		
Personal Services	248,679	224,808
Material and Services	158,602	148,225
Operating Department:		
Personal Services	689,450	564,287
Material and Services	291,005	273,972
Inventory Change	89	(5,492)
Meter, Line Replacement, Misc. Improvements	2,023	1,613
Depreciation Expense	596,226	596,858
Total Operating Expenses	<u>1,986,074</u>	<u>1,804,271</u>
Net Operating Income	<u>186,326</u>	<u>385,474</u>
Non Operating Revenues:		
Interest	49,841	55,417
Total Non Operating Revenues	<u>49,841</u>	<u>55,417</u>
Non Operating Expenses:		
Interest Expense	107,080	115,068
Total Non Operating Expenses	<u>107,080</u>	<u>115,068</u>
Capital Contribution - Developer Contributions	<u>-</u>	<u>-</u>
Change in Net Position	129,087	325,823
NET POSITION - BEGINNING	<u>8,653,867</u>	<u>8,328,044</u>
NET POSITION - ENDING	<u><u>\$8,782,954</u></u>	<u><u>\$8,653,867</u></u>

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



Comparative Statement of Cash Flows
For The Fiscal Years Ended June 30, 2020 and 2019

	2020	2019
Cash Flow From Operating Activities:		
Receipts from customers	\$2,149,601	\$2,135,465
Other operating cash receipts	34,654	34,825
Payments to suppliers	(455,030)	(446,066)
Payments to employees	(932,320)	(787,286)
Net Cash Provided by Operating Activities	<u>796,905</u>	<u>936,938</u>
Cash Flows From Capital and Related Financing Activities:		
Purchase of Depreciable Assets	(268,352)	(178,866)
Interest paid on Bonds and Loans	(107,692)	(116,711)
SPWF Loan Repaid	-	(29,791)
Douglas County Loan Repaid	(18,194)	-
Treatment Plant Upgrade Refunding Loan Repaid	(290,000)	(285,000)
Net Cash Used by Capital and Related Financing Activities	<u>(684,238)</u>	<u>(610,368)</u>
Cash Flows From Investing Activities:		
Interest Received	49,841	55,417
Net Cash Provided by Investing Activities	<u>49,841</u>	<u>55,417</u>
Net Increase in Cash	162,508	381,987
CASH, Beginning	<u>2,803,975</u>	<u>2,421,989</u>
CASH, Ending	<u><u>\$2,966,483</u></u>	<u><u>\$2,803,975</u></u>
SUPPLEMENTAL SCHEDULE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:		
Contributed Capital from Contractor Paid Line Improvements	<u>\$ -</u>	<u>\$ -</u>
Cash & Cash Equivalents	714,413	717,178
Cash in Bank - Capital Projects	2,145,973	1,981,755
Cash in Bank - Customer's Deposit	106,097	105,042
	<u><u>\$2,966,483</u></u>	<u><u>\$2,803,975</u></u>

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



Comparative Statement of Cash Flows (Continued)
For The Fiscal Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Reconciliation of Operating Income (Loss) to net cash provided (Used) by operating activities:		
Operating Income	\$ 186,326	\$ 385,474
Adjustments to Reconcile Net Income to		
Net Cash Provided by Operations:		
Depreciation	596,226	596,858
(Increase) Decrease in Accounts Receivable:		
Water	10,800	(21,080)
(Increase) Decrease in Inventory	89	(5,493)
(Increase) in Prepaid Expenses	1,172	(78)
Increase (Decrease) in Accounts Payable	(4,572)	(22,177)
Increase (Decrease) in Vacation and Comp Payable	5,809	1,809
Increase (Decrease) in Customer Deposits	<u>1,055</u>	<u>1,625</u>
Net Cash Provided by Operating Activities	<u>\$ 796,905</u>	<u>\$ 936,938</u>

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

Notes to Financial Statements

ROBERTS CREEK WATER DISTRICT

Notes to the Financial Statements

For years ended June 30, 2020 and 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Organization and Fund Structure

Roberts Creek Water District was incorporated as a municipal corporation on February 24, 1937, under the name of Roberts Creek Water District.

The government of Roberts Creek Water District is vested in a Board of Commissioners. The Board is composed of five members elected at large, three of whom are elected to terms of four years at one election, and two of whom are elected at the next biennial election, also for a term of four years. All officers are elected each year.

The District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

B. Proprietary Fund and Fund Financial Statements

Governmental financial statements generally include both government-wide and fund financial statements. However, the District is a special-purpose government engaged only in Business-type activities and such organizations present only the financial statements required for enterprise funds.

The District has adopted, at July 1, 2003, the principles of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments (GASB 34), as they are applicable to these financial statements. The Statement requires that the District present both government-wide and fund financial statements, and reconcile the two types of statements, if necessary.

Comparative total data for the prior years have been presented in the accompanying basic financial statements in order to provide an understanding of changes in the district's financial position and operations. However, comparative data have not been presented in the fund financial statement information at the level required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

The proprietary fund financial statements present financial information about the District as a whole. The reported information includes all of the business-type activities of the District. These statements are to distinguish between the governmental and business-type activities of the District. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District does not have any governmental-type activities.

ROBERTS CREEK WATER DISTRICT

Notes to the Financial Statements

For years ended June 30, 2020 and 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Proprietary Fund and Fund Financial Statements (Cont'd)

The Statement of Revenues, Expenses and Changes in Net Position demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, State and County aid, and other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for business-type funds. The individual business-type funds are reported as separate columns in the fund financial statements.

Proprietary Fund Financial Statements - The Proprietary Fund financial statements are reported using the economic resource management focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. As a general rule the effect of interfund activity has been eliminated from the governmental-wide financial statements.

Fund Financial Statements – Budget Basis - Business-type fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Under this method of accounting, revenues are recorded as received in cash.

Expenditures are recorded when the related fund liability is incurred, except for expenditures for interest on long-term debt which is recognized when due, certain compensated absences which are recognized when the obligations are expected to be liquidated with expendable available financial resources, and early retirement benefits which are recorded when paid. Depreciation expense is not recorded in these statements.

The District reports deferred revenue on its balance sheet for water receivable.

C. Basis of Accounting-Budget Purposes

For budget purposes the District has two funds, the Enterprise Fund and Capital Projects Fund. The budget is prepared on the modified accrual basis of accounting in accordance with ORS 294 (Local Budget Law). Under such method, revenues are recorded as received in cash and expenditures are recorded when the liability is incurred except for interest expense on the general obligation bonds and notes, which is recorded on its due date. Appropriations which have not been spent at year-end lapse. The District prepares its annual budget on a detailed line item basis for management purposes. The District adopts and appropriates the budget for legal control in the Enterprise Fund by departments, transfers, debt service, and operating contingencies. The District adopts and appropriates the budget for legal control in the Capital Projects Fund by line items capital outlay.

Major Business-Type Funds Reported by the District Include -

The Enterprise Fund is used to record the daily operations of the District. It includes revenues from water sales and fees for special system development surcharge and expenditures for the normal operating costs of the District's water system and personnel services.

ROBERTS CREEK WATER DISTRICT

Notes to the Financial Statements

For years ended June 30, 2020 and 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Basis of Accounting-Budget Purposes (Cont'd)

The Capital Projects Fund's primary source of income is from meter sales and grant funding for plant and line improvements. Other sources of income are from interest income. Expenditures are to be made for large improvements or repairs.

D. Cash and Investments

Cash and Cash Equivalents

The District considers cash on hand, demand deposits and short-term highly liquid investments with a maturity of three months or less, when purchased, to be cash and cash equivalents. Investments maintained in the Oregon Local Government Investment Pool are carried at cost, which approximates fair value, and are classified as a cash equivalent. Fair value of the investments in the Oregon Local Government Investment Pool are the same as the value of the pool shares. Short-term investments classified as cash equivalents are carried at amortized cost.

Investments

Investments other than U.S. Government agency securities and investment in the Oregon Local Government Investment Pool are carried at fair market value. Investments in U.S. Government agency securities with a maturity of three months or more, when purchased, are carried at amortized cost which approximates fair value. Fair value is based on current market prices. Changes in the fair value of investments are recognized as revenue. The District had no investments at June 30, 2020.

E. Receivables

Receivables for the budget purpose statements are shown as an asset and a deferred revenue. Under generally accepted accounting principles, the receivables are fully accrued and are net of Reserve for Bad Debt. The Reserve for Bad Debt is 5% of Water Accounts Receivable.

F. Inventory

Inventory held by the District is priced at cost using the FIFO method. Inventory is charged as used by the job through the use of a work order system.

Inventory shown for budget purposes is recorded as an expenditure at the time of purchase. The amount of inventory is recorded as an asset which is offset by a fund balance reserve in an equal amount.

G. Restricted Assets

Restricted assets are recorded to reflect the restriction placed on those assets by the District. These assets have been restricted for the following items:

Capital Projects
Customer Deposits

ROBERTS CREEK WATER DISTRICT

Notes to the Financial Statements

For years ended June 30, 2020 and 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

H. Fixed Assets

The Enterprise Fund expenses the cost of normal maintenance and repairs as incurred. Renewals and betterments that significantly improve and extend the lives of property are capitalized, as is new equipment and construction which are recorded at cost. The capitalization policy is \$1000. Depreciation in the Enterprise Fund is computed on the straight-line method with the following useful life:

Water System	30 Years
Plant Equipment	10 Years
Office Equipment	5 Years
Rolling Stock	3 Years

No depreciation is reflected in the statements prepared for budget purposes and expenses are not capitalized.

I. Net Position

Net Position comprise the various net earnings from operating and non-operating revenues, expenses, and contributions of capital. Net position is classified in the following three components: Invested in capital assets; Restricted net position; and Unrestricted net position.

Invested in capital assets, consists of all capital assets, net of accumulated depreciation and reduced by outstanding debt (revenue bonds, revenue secured loans, and other debt obligations) that is attributable to the acquisition, construction and improvement of those assets; debt related to unspent proceeds or other restricted cash and investments is excluded from the determination. Restricted net position consist of net assets for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, laws, regulations, and enabling legislation, including self-imposed legal mandates. Unrestricted consists of all other net assets not included in the above categories.

It is the District's policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purpose for which both restricted and unrestricted net position are available.

J. Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Quasi-external transactions are accounted for as revenues or expenditures, as appropriate.

All other interfund transactions are reported as operating and/or capital transfers.

L. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of receipts and expenditures for the reporting period. Actual results could differ from those estimates.

ROBERTS CREEK WATER DISTRICT

Notes to the Financial Statements

For years ended June 30, 2020 and 2019

2. CASH AND INVESTMENTS

State statutes govern the District's cash management policies because the District does not have an official investment policy. State statutes authorize the District to invest in the Oregon State Treasurer's Local Government Investment Pool, time certificates of deposit, U.S. Government Treasury Obligations, and obligations of the United States and its agencies and instrumentalities.

A. Cash and Cash Equivalents

	2020	2019
Cash balances consist of the following:		
Cash on Hand	\$ 550	\$ 550
Checking/Savings	378,563	464,312
Local Government Investment Pool	2,587,370	2,339,113
Total Cash and Cash Equivalents	<u>\$ 2,966,483</u>	<u>\$ 2,803,975</u>

The Oregon State Treasurer maintains the Oregon Short Term Fund (OSTF), of which the Local Government Investment Pool (LGIP) is a part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, funds are invested as a prudent investor would do, exercising reasonable care, skill and caution. LGIP was created to offer a short-term investment alternative to Oregon local governments and it is not registered with the U.S. Securities and Exchange Commission. The investments are regulated by the OSTF and approved by the Oregon Investment Council (ORS 294.805 to 294.895). The OSTF financial statements are available at <http://www.ost.state.or.us/>.

Credit risk: The LGIP is not rated by any national rating service.

Interest rate risk: The weighted-average maturity of LGIP is less than one year.

Custodial credit risk: Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. Deposits with financial institutions include bank demand deposits. Cash, except for cash held at the District, is covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool called the Public Funds Collateralization Program (PFCP) administered by the Office of the State Treasurer for the State of Oregon. As of June 30, 2020 and 2019, none of the District's bank balances were exposed to credit risk.

3. WATER SALES AND OTHER RECEIVABLES

Receivables for water sales are \$154,505 at June 30, 2020 and \$169,558 at June 30, 2019. The Reserve for Bad Debt is \$7,725 at June 30, 2020 and \$8,478 at June 30, 2019.

ROBERTS CREEK WATER DISTRICT

Notes to the Financial Statements
For years ended June 30, 2020 and 2019

4. FIXED ASSETS

The summary of changes in fixed assets during the fiscal year is as follows:

	<u>July 01, 2019</u>	<u>Increase</u>	<u>Decrease</u>	<u>June 30, 2020</u>
Capital Assets Not Being Depreciated:				
Land	<u>\$ 342,536</u>			<u>\$ 342,536</u>
Total Capital Assets Not Being Depreciated:	<u>342,536</u>			<u>342,536</u>
Capital Assets Being Depreciated:				
Office Equipment	77,692	6,501		84,193
Office Building & Improvements	171,702	-		171,702
Vehicles	145,896	-		145,896
Water Plant & Equipment	11,736,242	198,265		11,934,507
Reservoir Tank & Road	1,077,296	60,959		1,138,255
Distribution Lines & Reservoir	<u>6,951,684</u>	<u>2,627</u>		<u>6,954,311</u>
Total Capital Assets Being Depreciated:	<u>\$ 20,160,512</u>	<u>\$ 268,352</u>	<u>\$ -</u>	<u>\$ 20,428,864</u>

The summary of changes in accumulated depreciation for the fiscal year is as follows:

	<u>Balance July 01, 2019</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance June 30, 2020</u>
Office Equipment	\$ 41,602	\$ 8,333		\$ 49,935
Office Building & Improvements	106,614	4,036		110,650
Vehicles	145,165	731		145,896
Water Plant & Equipment	5,078,516	347,363		5,425,879
Reservoir Tank & Road	503,266	29,596		532,862
Distribution Lines & Reservoir	<u>3,996,439</u>	<u>206,167</u>		<u>4,202,606</u>
Total	<u>\$ 9,871,602</u>	<u>\$ 596,226</u>	<u>\$ -</u>	<u>\$ 10,467,828</u>
Capital Assets - Net	<u>\$ 10,631,446</u>	<u>\$ (327,874)</u>	<u>\$ -</u>	<u>\$ 10,303,572</u>

ROBERTS CREEK WATER DISTRICT

Notes to the Financial Statements For years ended June 30, 2020 and 2019

4. FIXED ASSETS (Cont'd)

The summary of changes in fixed assets during the prior fiscal year is as follows:

	Balance July 1, 2018	Increase	Decrease	Balance June 30, 2019
Capital Assets Not Being Depreciated:				
Land	\$ 342,536			\$ 342,536
Total Capital Assets Not Being Depreciated:	342,536			342,536
Capital Assets Being Depreciated:				
Office Equipment	112,295	39,333	73,936	77,692
Office Building & Improvements	157,586	14,116		171,702
Vehicles	145,896			145,896
Water Plant & Equipment	11,833,364	65,857	162,979	11,736,242
Reservoir Tank & Road	1,017,735	59,561		1,077,296
Distribution Lines & Reservoir	6,951,684			6,951,684
Total Capital Assets Being Depreciated:	\$ 20,218,560	\$ 178,867	\$ (236,915)	\$ 20,160,512

The summary of changes in accumulated depreciation for the prior fiscal year is as follows:

	Balance July 1, 2018	Increase	Decrease	Balance June 30, 2019
Office Equipment	\$ 111,411	\$ 4,127	\$ 73,936	\$ 41,602
Office Building & Improvements	102,480	4,134		106,614
Vehicles	135,116	10,049		145,165
Water Plant & Equipment	4,901,181	339,914	162,979	5,078,516
Reservoir Tank & Road	473,670	29,596		503,266
Distribution Lines & Reservoir	3,787,801	208,638		3,996,439
Total	\$ 9,511,659	\$ 596,858	\$ 236,915	\$ 9,871,602
Capital Assets - Net	\$ 11,049,438	\$ (417,991)	\$ 236,915	\$ 10,631,446

5. DEFINED CONTRIBUTION PLAN

The District established a Simplified Employee Pension (SEP) retirement plan for their employees effective July 1, 1994. Edward D. Jones & Co. administers the defined contribution plan. For the 2019-2020 and 2018-2019 fiscal years, the District contributed 12% for eligible employees. The amount of contribution is to be determined annually. The length of employment to be eligible for retirement benefits is six months. The employer contribution for the fiscal years ending June 30, 2020 and 2019 is \$67,286 and \$59,890, respectively.

ROBERTS CREEK WATER DISTRICT

Notes to the Financial Statements

For years ended June 30, 2020 and 2019

6. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

For the year ended June 30, 2018, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* became effective. This statement provides guidance for accounting for liabilities/(assets) related to retiree healthcare and other non-pension postemployment benefits (OPEB). The other postemployment benefits for the District consists of a health insurance subsidy. The District is required by Oregon Revised Statutes 243.303 to provide retirees and dependents with group health insurance from the date of retirement to age 65 at the same rate provided to current employees. Premiums for retirees are based upon the premium rates available to active employees. The retiree is responsible for any portion of the premiums not paid by the District. The implicit employer subsidy is measured as the expected health care cost per retiree and dependent, less the gross premiums charged by the insurance carrier for that coverage. The subsidy is only measured for retirees and spouses younger than age 65, at which point such retirees and spouses typically become eligible for Medicare. GASB Statement 75 is applicable to the District due only to this implicit rate subsidy.

At June 30, 2020, The District's net OPEB liability/(asset) and deferred inflows and outflows were determined by Management not to be material to the financial statements taken as a whole.

7. COMPENSATED ABSENCES

The commitments to employee sick leave at June 30, 2020 and 2019 are:

	2020	2019
Administration	\$ 19,121	\$ 13,519
Operations	34,978	24,495
Total Sick Leave	<u>\$ 54,099</u>	<u>\$ 38,014</u>

Sick Leave accrues at eight hours per month. Sick leave is accumulated with no maximum hour limit. Sick leave is lost if employment is prematurely terminated.

Accrued and unused vacation benefits are paid upon termination of employment. Vacation benefits are accumulated by hour with a maximum of 200 hours per employee.

For any overtime the employees work, they may choose to be paid at 1.5 times their regular rate, or take comp. time in lieu of pay at 1.5 times the number of overtime hours worked. Under Federal law, the maximum comp. time hours that may be accrued are 240.

8. INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2020 consisted of the following:

The Enterprise Fund transferred \$640,000 to the Capital Projects Fund for future capital projects and asset acquisitions.

Transfers and payments within the reporting entity are substantially for the purpose of subsidizing operating functions and funding capital projects and asset acquisitions in accordance with budgetary authorizations.

ROBERTS CREEK WATER DISTRICT

Notes to the Financial Statements

For years ended June 30, 2020 and 2019

9. LOANS PAYABLE

Roberts Creek Water District previously received \$905,000 as a loan from the State of Oregon Economic Development Department, for a Special Public Works Fund (SPWF) Award contract for plant and line improvements. The bond loan was \$730,000, payable in 20 years at 5.8% interest. Payments are due annually on December 1. The balance was paid off at December 1, 2014.

The remaining \$175,000 was a deferred loan, payable in 25 years at 6.0% interest. Annual principal and interest payments began December 1, 1997. Total annual payments began at \$7,627 in 1997 and balloon to \$31,578 by the year 2018. The balance of the deferred loan was paid off for the fiscal year ending June 30, 2019.

LOANS PAYABLE

The District was awarded a loan from the State of Oregon's Safe Drinking Water Revolving Loan Fund. The proceeds of the loan were used for the costs of the Wastewater Treatment Plant Upgrade. The maximum amount awarded for the loan is \$6,653,446. The final loan amount was \$5,972,289 at December 1, 2011.

The District closed on a Loan Refunding Agreement with JP Morgan Chase on February 15, 2017, for the purpose of refinancing the District's Safe Drinking Water Revolving Loan Fund loan. The refunding loan of \$4,970,000 is payable in 15 annual principal payments beginning December 1, 2017, with interest payments at 2.53% due semi-annually beginning June 1, 2017. Five-year maturities are as follows:

LOANS PAYABLE

Fiscal Year Ending June 30,	Outstanding June 30, 2019	Redeemed	Outstanding June 30, 2020	Interest
2020	290,000	290,000	-	107,652
2021	295,000		295,000	100,251
2022	305,000		305,000	92,661
2023	315,000		315,000	84,818
2024	320,000		320,000	76,786
2025	330,000		330,000	68,563
2026-2029	1,400,000		1,400,000	187,979
2030-2032	1,145,000		1,145,000	43,834
Total	<u>\$ 4,400,000</u>	<u>\$ 290,000</u>	<u>\$ 4,110,000</u>	<u>\$ 762,544</u>

10. INTERGOVERNMENTAL AGREEMENT - RESERVOIR TANK LOAN PAYABLE

Roberts Creek Water District entered into an intergovernmental agreement with Douglas County to install a transmission main and 1.5-million-gallon water storage reservoir to provide domestic and fire flow water storage capacity for industrial use in the District. The County loaned the District two-thirds of the costs of the project. The amount loaned at June 30, 2001 is \$539,353. The reservoir tank was completed during the 2001-2002 fiscal year.

ROBERTS CREEK WATER DISTRICT

Notes to the Financial Statements

For years ended June 30, 2020 and 2019

10. INTERGOVERNMENTAL AGREEMENT - RESERVOIR TANK LOAN PAYABLE (Cont'd)

The loan interest is 4% per annum, which at this time has been waived by the County. The District budgets annually a payment to the County based on the special System Development Charges (SDC's) collected in the prior fiscal year. If annual collections exceed \$100,000, the District shall enact a supplemental budget. Payments to the County will be made within 30 days of the beginning of the fiscal year or 30 days from enactment of a supplemental budget. Payments are first applied to interest and then to principal. The District is not responsible for any repayment of the loan or interest thereon in lieu of or in addition to special SDC's and is not a general obligation of the District. The amount payable in the next twelve months is undeterminable; therefore, no amount is included in current liabilities. The payments to Douglas County for the fiscal years ending June 30, 2020 and 2019 were \$18,194 and \$0, respectively. The balance at June 30, 2020 is \$398,504.

11. INTERGOVERNMENTAL AGREEMENT – SHARED PERSONNEL

The District entered into an intergovernmental agreement with Green Sanitary District on March 12, 2020, pursuant to Oregon Revised Statutes (ORS) 190.010 for the purpose of sharing personnel resources between the Districts. Under the agreement, personnel selected are to be employed and managed by Roberts Creek Water District and will split their work time between the two Districts based on a predetermined schedule. Roberts Creek Water District will invoice Green Sanitary District monthly for reimbursement of the proportionate salary, employment taxes and benefits based on hours worked at Green Sanitary. The agreement will terminate upon dissolution of one or both Districts, or sixty (60) days after written notice by one District's desire to terminate the agreement, whichever occurs first.

For the fiscal year ended June 30, 2020, the total reimbursement invoiced to Green Sanitary District under the intergovernmental agreement was \$8,340.

12. RESERVATION FEE

The District has a contract to pay a \$2,175 annual reservation fee to Lookingglass Olalla Water Control District for stored water use. In addition to the annual reservation fee the District pays \$53 per acre foot of stored water used based on minimum flow requirements. This calculation is made by the water master of Douglas County who maintains the records on minimum flow and the minimum flow requirements for Lookingglass Olalla Water Control District. This contract expires January 31, 2023 and can be renewed after new negotiations.

13. CONTRIBUTED CAPITAL

Contributed Capital is due to prior grants received from EDA and SPWF, reimbursement district lines acquired, and Contractor's in-kind work on water line improvements. There were no additions to contributed capital for the 2019-20 and 2018-19 fiscal years. The balance of contributed capital at June 30, 2020 is \$3,124,254.

14. RISK MANAGEMENT

The District contracts with an insurance broker to negotiate and place insurance coverage on its behalf. The District's liability, property, and workers' compensation insurance is placed with Special Districts Insurance Services. SDIS is an insurance pool designed specifically for special districts within the State of Oregon. The District's claims have not exceeded coverage in any of the last three years.

15. COMMITMENTS

The District has a cancelable contract with Meter readers to read all water meters in the District. The contract will expire June 30, 2021.

ROBERTS CREEK WATER DISTRICT

Notes to the Financial Statements

For years ended June 30, 2020 and 2019

16. RELATED PARTY TRANSACTIONS

The District made payments totaling \$2,150 to Big Tech, Inc. for IT computer services in the 2019-2020 fiscal year. Big Tech, Inc. is owned by Phil Bigler, Board Commissioner for the District. The services rendered consisted of installing several computer workstations and performing a new server setup. The transactions were made at arm's length and Commissioner Bigler abstained from making motions or voting on the approval of expenditures payable to Big Tech, Inc.

17. SUBSEQUENT EVENTS

Management has evaluated subsequent events as of December 28, 2020, the date the financial statements were made available to be issued. No subsequent events were noted.

18. OTHER MATTERS

The Roberts Creek Water District Board of Commissioners have filed a petition with the Douglas County Planning Department to form a joint water and sanitary authority with Green Sanitary District of Roseburg, Oregon. Pending approval of the petition by county order, and after Public Hearings, the county will call the ballot measure to election by the electors of the District. It is estimated that the election will be held in May 2021.

Upon a successful election, the county will order the joint authority to be formed and Roberts Creek Water District will simultaneously dissolve, in accordance with ORS 450.722. The joint water and sanitary authority will assume all rights and obligations of Roberts Creek Water District.

Supplementary Information

Budget Basis



ROBERTS CREEK WATER DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balances Fund Financial Statements - Budget Basis For The Fiscal Year Ended June 30, 2020

	Enterprise Fund	Capital Projects Fund	Total
Operating Revenues:			
Water Sales	\$ 1,965,468	-	\$ 1,965,468
Meter Sales	10,300	\$ 119,812	130,112
Standby Charges	18,054	-	18,054
Water Service Fees & Penalties	17,480	-	17,480
Miscellaneous	34,654	-	34,654
Special Surcharge (Tanks)	18,193	-	18,193
Backflow Test Receipts	2,739	-	2,739
Interest	9,573	40,268	49,841
Total Revenues	<u>2,076,461</u>	<u>160,080</u>	<u>2,236,541</u>
Operating Expenditures:			
Administrative Department	408,481	-	408,481
Operating Department	982,597	-	982,597
Debt Service	18,194	397,692	415,886
Capital Outlay	8,508	258,524	267,032
Miscellaneous	-	1	1
Total Expenditures	<u>1,417,780</u>	<u>656,217</u>	<u>2,073,997</u>
Excess of Revenues Over (Under) Expenditures	<u>658,681</u>	<u>(496,137)</u>	<u>162,544</u>
Other Financing Sources (Uses):			
Operating Transfer In	-	640,000	640,000
Operating Transfer Out	<u>(640,000)</u>	<u>-</u>	<u>(640,000)</u>
Total Other Financing Sources (Uses)	<u>(640,000)</u>	<u>640,000</u>	<u>-</u>
Excess of Revenues & Other Financing Sources Over (Under) Expenditures and Other Financing Uses	18,681	143,863	162,544
Fund Balance, Beginning	<u>661,210</u>	<u>1,951,906</u>	<u>1,939,578</u>
Fund Balance, Ending	<u>\$679,891</u>	<u>\$2,095,769</u>	<u>\$2,102,122</u>



Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances to Change in Net Position
for the period ended
June 30, 2020

Net Change in fund balances - Proprietary Funds - Budget	\$162,544
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Amounts reported for proprietary funds and the
statement of activities are different because:

Depreciation Expense on capital assets is reported in the government-wide statement of activities and changes in net position, and not reported as expenditure in the proprietary funds	(596,226)
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Some expenses reported in the statement of activities do not require the use of current financial resources; therefore, are not reported as expenditures in proprietary funds.	(89)
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Proprietary funds report capital outlay as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.	268,352
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Accrued Interest expense is not reported in the fund financial statements, but is in the government-wide statements	612
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The payment of long-term debt uses current financial resources in the budget basis financial statement of revenues, expenditures, and changes in fund balances, but they do not require the use of current financial resources in the proprietary fund.	308,194
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Some revenues will not be collected for several months after the districts year end, they are not considered "available" revenues in the proprietary funds.	(14,300)
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Change in net position	<u><u>\$129,087</u></u>
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ROBERTS CREEK WATER DISTRICT

Schedule of Revenues, Expenditures and Changes in Fund Balances Actual and Budget - Enterprise Fund (Budget Basis) For The Fiscal Year Ended June 30, 2020

	Actual	Original & Final Budget	Over (Under) Budget
Revenues:			
Water Sales	\$1,565,468	\$1,550,000	\$ 15,468
Water Sales Plant Upgrade	400,000	400,000	-
Meter Sales	10,300	6,000	4,300
Standby Charges	18,054	19,000	(946)
Water Service Fees & Penalties	17,480	21,000	(3,520)
Miscellaneous	34,654	23,000	11,654
Special Surcharge (Lines)	-	50,000	(50,000)
Special Surcharge (Tanks)	18,193	50,000	(31,807)
Backflow Test Receipts	2,739	2,500	239
Interest	9,573	10,000	(427)
Total Revenues	<u>2,076,461</u>	<u>2,131,500</u>	<u>(55,039)</u>
Expenditures:			
Administrative Department			
Personal Services:			
Office Manager	73,934	75,000	(1,066)
Office Assistant	72,791	98,000	(25,209)
Social Security	11,275	13,500	(2,225)
Worker's Compensation	202	300	(98)
Insurance	69,920	79,000	(9,080)
Unemployment Compensation	279	300	(21)
Retirement	16,817	20,700	(3,883)
Vacation and Compensation Time	3,461	3,000	461
Total Personal Services	<u>248,679</u>	<u>289,800</u>	<u>(41,121)</u>



Schedule of Revenues, Expenditures and Changes in Fund Balances
Actual and Budget - Enterprise Fund (Budget Basis)
For The Fiscal Year Ended June 30, 2020

	Actual	Original & Final Budget	Over (Under) Budget
Administrative Department (Con't)			
Materials and Services:			
Audit	9,450	10,000	(550)
Elections	-	1,000	(1,000)
Supplies	3,997	4,000	(3)
Communication & IT	3,822	3,000	822
Electricity	2,487	3,500	(1,013)
Legal Fees	1,500	10,000	(8,500)
Dues & Subscriptions	7,958	10,000	(2,042)
Property Insurance	30,111	31,000	(889)
Liability and Auto Insurance	17,652	16,500	1,152
Repair and Maintenance	3,595	4,000	(405)
Administrative Services	2,750	3,200	(450)
Bank Charges	-	2,000	(2,000)
Budgeting	241	800	(559)
Education	1,883	6,000	(4,117)
Miscellaneous	2,447	3,500	(1,053)
Advertising	20	500	(480)
Postage	2,218	2,000	218
Contract Services	27,066	27,500	(434)
Consulting Services	2,650	-	2,650
Website	2,479	2,600	(121)
Billing Costs	19,231	21,500	(2,269)
Online Bill Pay Fees	815	2,000	(1,185)
Merchant Service Fees	16,136	12,000	4,136
Total Materials and Services	158,508	176,600	(18,092)
Capital Outlay:			
Office Equipment	6,595	9,000	(2,405)
Office Improvements	-	7,000	(7,000)
Total Capital Outlay	6,595	16,000	(9,405)
Total Administrative Department Expenditures	413,782	482,400	(68,618)
Operating Department			
Personal Services:			
Plant Superintendent	87,851	87,000	851
Service Crew	344,619	354,000	(9,381)
Social Security	32,995	33,800	(805)
Worker's Compensation	6,796	9,500	(2,704)
Insurance	163,940	175,100	(11,160)
Unemployment Compensation	431	2,000	(1,569)
Retirement	50,469	52,000	(1,531)
Vacation and Compensation Time	2,349	3,000	(651)
Total Personal Services	689,450	716,400	(26,950)



Schedule of Revenues, Expenditures and Changes in Fund Balances
Actual and Budget - Enterprise Fund (Budget Basis)
For The Fiscal Year Ended June 30, 2020

	Actual	Original & Final Budget	Over (Under) Budget
Operating Department (Con't)			
Materials and Services:			
Freight	3,298	3,000	298
Tools	1,696	3,000	(1,304)
Supplies and Safety Items	3,327	4,000	(673)
Communications & IT	6,734	5,700	1,034
Electricity	105,067	130,000	(24,933)
Fees and Dues	9,899	6,000	3,899
Fuel	7,240	10,000	(2,760)
Equipment Maintenance	5,231	12,000	(6,769)
Repair and Maintenance-Field	21,447	35,000	(13,553)
Repair and Maintenance-Plant	38,470	35,000	3,470
Chemicals	45,675	40,000	5,675
Miscellaneous	166	2,000	(1,834)
Education	3,967	10,000	(6,033)
Reservoir Maintenance	570	3,000	(2,430)
Miox System	290	2,000	(1,710)
Summer Stored Water	2,175	6,000	(3,825)
Emergency Inter-tie	402	1,500	(1,098)
Engineering	-	1,000	(1,000)
New Connections-Materials	2,082	2,000	82
Inventory Adjustment	21,572	5,000	16,572
Water Samples	8,984	8,500	484
Backflow Testing	2,682	3,500	(818)
Total Materials and Services	<u>290,974</u>	<u>328,200</u>	<u>(37,226)</u>
Capital Outlay:			
Meter Installations	1,005	3,000	(1,995)
Replace Lines	-	50,000	(50,000)
Equipment Purchases	3,637	18,000	(14,363)
Safety Equipment	738	3,000	(2,262)
Replace Filter Media	-	35,000	(35,000)
Total Capital Outlay	<u>5,380</u>	<u>109,000</u>	<u>(103,620)</u>
Total Operating Department Expenditures	<u>985,804</u>	<u>1,153,600</u>	<u>(167,796)</u>



Schedule of Revenues, Expenditures and Changes in Fund Balances
Actual and Budget - Enterprise Fund (Budget Basis)
For The Fiscal Year Ended June 30, 2020

	Actual	Original & Final Budget	Over (Under) Budget
Operating Contingencies	-	75,000	(75,000)
Debt Service			
Reserve for Payment	-	50,000	(50,000)
Intergovernmental Agreement Payment	18,194	50,000	(31,806)
Total Debt Service	18,194	100,000	(81,806)
 Total Expenditures	 1,417,780	 1,811,000	 (393,220)
 Excess of Revenues Over (Under) Expenditures	 658,681	 320,500	 338,181
Other Financing Sources (Uses):			
Operating Transfer Out	(640,000)	(640,000)	-
Total Other Financing Sources (Uses)	(640,000)	(640,000)	-
 Excess of Revenues & Other Financing Sources Over (Under) Expenditures and Other Financing Uses	 18,681	 (319,500)	 338,181
FUND BALANCE, Beginning	661,210	700,000	202,934
FUND BALANCE, Ending	\$679,891	\$380,500	\$541,115



Schedule of Revenues, Expenditures and Changes in Fund Balances
Actual and Budget - Capital Project Fund (Budget Basis)
For The Fiscal Year Ended June 30, 2020

	Actual	Original & Final Budget	Over (Under) Budget
Revenues:			
Meter Sales	\$119,812	\$54,000	\$65,812
Interest	40,268	40,000	268
Grant and Loan Proceeds	-	750,000	(750,000)
Total Revenues	<u>160,080</u>	<u>844,000</u>	<u>(683,920)</u>
Expenditures:			
Capital Outlay	258,524	2,347,000	(2,088,476)
Miscellaneous	1	2,000	(1,999)
Debt Service - Plant Upgrade	397,692	397,652	40
Total Expenditures	<u>656,217</u>	<u>2,746,652</u>	<u>(2,090,435)</u>
Excess of Revenues Over (Under) Expenditures	<u>(496,137)</u>	<u>(1,902,652)</u>	<u>1,406,515</u>
Other Financing Sources (Uses):			
Operating Transfer In	640,000	640,000	-
Total Other Financing Sources (Uses)	<u>640,000</u>	<u>640,000</u>	<u>-</u>
Excess of Revenues & Other Financing Sources Over (Under) Expenditures and Other Financing Uses	143,863	(1,262,652)	1,406,515
FUND BALANCE, Beginning	<u>1,951,906</u>	<u>1,750,000</u>	<u>1,134,708</u>
FUND BALANCE, Ending	<u><u>\$2,095,769</u></u>	<u><u>\$487,348</u></u>	<u><u>\$2,541,223</u></u>

Other Supplemental Data

ROBERTS CREEK WATER DISTRICT

Schedule of Insurance Coverage

As of June 30, 2020

Company	Policy Number	Agency	Expires	Coverage	Amount
Special Districts Association of Oregon	23P54183-1219	Umpqua Insurance Agency	1/1/21	Property Coverage:	
				Buildings	\$19,409,891
				Contents	2,814,282
				Equipment	210,750
				Electronic Data Processing Equip	100,000
				Business Income	1,000,000
				Extra Expense	1,000,000
				Accounts Receivable	250,000
				Other Property Liability	250,000
				Earthquake	10,000,000
				Public Entity Liability Coverage	500,000
				Uninsured Motorist	500,000
				BOLI Defense	50,000
				Pollution Coverage	100,000
				Crime:	
				Public Employee Dishonesty	50,000
				Forgery	50,000
				Theft, Disappearance or Destruction	
				Inside/Outside Premises	250,000
				Computer Fraud	50,000
				Excess Liability	4,500,000
				Total Limit of Indemnification	22,434,923

Auditor's Comments and Disclosures
Required by State Law



INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Board of Directors
Roberts Creek Water District
Roseburg, OR 97471

We have audited the basic financial statements of the Roberts Creek Water District as of and for the year ended June 30, 2020, and have issued our report thereon dated December 28, 2020. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the Roberts Creek Water District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

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

In connection with our testing nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-10-0230 Internal Control


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

**Roberts Creek Water District
Independent Auditor's Report Required by Oregon State Regulations**

Restrictions on Use

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

Neuner Davidson & Co
Certified Public Accountants

A handwritten signature in black ink, appearing to read "J. R. Cooley", is written over a horizontal line.

Jeffrey R. Cooley, CPA
Roseburg, Oregon
December 28, 2020