

Burlington Water District

Financial Statements

June 30, 2022

Board of Directors

<u>Member</u>	<u>Position</u>	<u>Term Expires</u>
Gail Curtis 12940 NW Marina Way, A1 Portland, OR 97231	1	6/30/2025
Christopher "Tiff" Wood 13110 NW Marina Way Portland, OR 97231	2	6/30/2023
Daniel Johnson 16819 NW Wapato Avenue Portland, OR 97231	3	6/30/2023
Ronn Yann 14962 NW Mill Road Portland, OR 97231	4	6/30/2023
Susan Hasty 14591 NW Larson Road Portland, OR 97231	5	6/30/2025

Registered Agent
Hiland Water Corporation
P.O. Box 699
Newberg, OR 97132

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Management's Discussion and Analysis
June 30, 2022

Burlington Water District

This discussion and analysis of the District's financial performance provides an overview of the financial activities for the fiscal year ended June 30, 2022, within the limitations of the District's financial statements.

Modified Cash Basis Statement of Net Position			
		2022	2021
Cash and Cash Equivalents	\$	332,605	\$ 216,942
Capital Assets, Net of Depreciation		2,189,080	2,277,124
Total Assets		2,521,685	2,494,066
Loans Payable		1,089,135	1,146,589
Total Liabilities		1,089,135	1,146,589
Invested in Capital Assets		1,099,945	1,130,535
Unrestricted		332,605	216,942
Total Net Position	\$	1,432,550	\$ 1,347,477

Modified Cash Basis Summary of Change in Net Position			
		2022	2021
Charges for Services	\$	279,123	\$ 245,643
Taxes & Assessments		144,888	142,024
SDC Charges		2,482	-
Interest Income		1,313	1,165
Miscellaneous		15,287	389
Total Receipts		443,093	389,221
Operating		(258,510)	(264,527)
Interest expense		(11,466)	(12,036)
Depreciation		(88,044)	(88,044)
Total Expenses		(358,020)	(364,607)
Increase (Decrease) in Net Position	\$	85,073	\$ 24,614

Report Components

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the District's modified cash basis of accounting as described in the notes to financial statements.

Basic Financial Statements

Financial Statements: The Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows provide information about the District's activities, as well as information about long term debt, capital assets, and associated depreciation.

Notes to the Financial Statements: The notes to the financial statements are an integral part of the financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Supplementary Information: The General Fund and other fund budgetary comparison schedules provide users of this report with additional information that supplements the financial statements.

Management's Direct Comments

General Comments: Burlington Water District receives revenue from water sales for operations and loan payments. The District receives tax revenues from properties within the District boundaries for the purpose of contracting with other agencies for fire protection. The overall financial condition is sound.

Results of Operations: Operations include but are not limited to system maintenance and monitoring for water use and loss.

Significant Transactions: In 2013, the District replaced and completed the installation of a new 400,000- gallon steel bolted reservoir, 2 new booster pumps, updated the pump station with modern more reliable controls between the pump station and the reservoir and replaced one mile of 10-inch water main pipe along highway 30. A loan through Oregon Infrastructure Finance Authority in the amount of \$958,700 paid for the cost. The District makes annual payments on this 30-year loan at 1% interest. The system is running efficiently as expected. The District is currently seeking a grant to help fund replacement of the existing 4-inch diameter cast iron water main located on Riverview Drive. This water main is undersized, in poor condition and will fail in the near future if restorative actions aren't taken.

Infrastructure:

1. One 400,000-gallon steel bolted glass fused reservoir.
2. Approximately twelve miles of 4", 6", 8" and 10" of ductile iron and PVC pipe.
3. Approximately thirty in-service fire hydrants.
4. Two high volume pumps with advanced controls within the District's pump station connecting Burlington Water District to Portland Water (the District's water supplier).
5. Updated telemetry communication and alarm system between the pump station and the reservoir.
6. In budget year 2017/2018 fire hydrants on Marina Way and Mill Road were replaced with hydrants that include break-off check valves. These hydrants were susceptible to improperly parked boat trailers.

Other Assets:

1. Tools and equipment with a value of approximately \$5,000
2. A shipping/storage container
3. Small but adequate inventory of repair material.

Economic Factors: The cost of wholesale water and fire protection contracts has steadily risen, and this cost must be passed on to the consumer. The District purchases its water from Portland Water Bureau. Portland has projected a significant increase in water costs over the next 10 years, due to federally mandated infrastructure costs on their part (e.g., building a filtration plant, rebuilt/repared reservoirs, covering reservoirs, lines to-and-from the filtration plant).

Other Comments: Over the past year, Burlington Water District has continued to improve consistency of policy regarding infrastructure, finances, access to public records, and workplace discrimination and to provide better transparency and accessibility to our customers.

The District website, <https://burlingtonwater.specialdistrict.org/>. initially developed in 2018, has been further expanded and refined. The website allows the public unlimited access to information regarding meeting agendas, minutes, ordinances/resolutions, fees, policies, budget and fiscal documents, and emergency notifications.

Personnel:

Burlington Water District is governed by a volunteer Board of Commissioners. The District does not currently have employees. Burlington Water District is contracting with the following companies or individuals to provide necessary services.

- System Management - Silas Olson, Hiland Water Corporation
- Customer Service, Billing and Accounts Receivable/Payable- Devin Geiger, Hiland Water Corporation
- Accounting/Bookkeeping - Dan Zimmerman, Hiland Water Corporation
- Budget - Dan Zimmerman, Hiland Water Corporation
- External Auditor – Hanford & Associates, LLC

Contacting the District's Financial Management:

The District's financial statements are designed to present users (citizens, taxpayers, customers, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about this report or need additional financial information, please contact Hiland Water Corporation at 503-554-8333; 1-855-554-8333 (TF).

Financial Section

June 30, 2022

Burlington Water District



Independent Accountant's Review Report

Board of Directors
Burlington Water District
Portland, Oregon

We have reviewed the accompanying modified cash basis financial statements of the business-type activities and each major fund of the Burlington Water District (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of 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 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.

Basis of Accounting

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements in order for them to be in conformity with the modified cash basis of accounting, as described in Note 1. The budgetary comparison schedules and other financial schedules listed in the table of contents are presented only for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements. This information is presented on the cash basis of accounting, and we did not become aware of any material modifications that should be made to such information.



Other Information

The supplementary information titled Management Representation of Fiscal Affairs Required by Oregon Regulation is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information, and accordingly, we do not express an opinion or provide any assurance on such supplementary information.

Teresa Hanford, CPA
Hanford & Associates, LLC
September 28, 2022

Financial Statements

June 30, 2022

Burlington Water District

Burlington Water District
Modified Cash Basis Statements of Net Position
June 30, 2022

Assets	
Current	
Cash and Cash Equivalents	\$ 332,605
Total Current Assets	<u>332,605</u>
Noncurrent	
Land	1,000
Other Capital Assets, Net of Depreciation	<u>2,188,080</u>
Total Noncurrent Assets	<u>2,189,080</u>
 Total Assets	 <u>2,521,685</u>
 Liabilities	
Due Within One Year	
Current Portion of Long-Term Debt	<u>58,030</u>
Total Due Within One Year	58,030
 Due in More than One Year	
Long-Term Debt	<u>1,031,105</u>
Total Due in More than One Year	<u>1,031,105</u>
 Total Liabilities	 <u>1,089,135</u>
 Net Position	
Net Investment in Capital Assets	1,099,945
Unrestricted	<u>332,605</u>
 Total Net Position	 <u>\$ 1,432,550</u>

The notes to the financial statements are an integral part of this statement

Burlington Water District
 Modified Cash Basis Statements of Revenues, Expenditures, and Changes in Net Position
 June 30, 2022

Operating Revenues	
Water Sales	\$ 279,123
Property Taxes	144,888
Total Operating Revenues	424,011
Operating Expenses	
Materials and Services	(258,510)
Depreciation Expense	(88,044)
Total Operating Expenses	(346,554)
Operating Income (Loss)	77,457
Nonoperating Revenues and Expenses	
SDC Charges	2,482
Interest Income	1,313
Miscellaneous	15,287
Debt Service - Interest	(11,466)
Total Nonoperating Revenues and Expenses	7,616
Change in Net Position	85,073
Beginning Net Position	1,347,477
Ending Net Position	\$ 1,432,550

The notes to the financial statements are an integral part of this statement

Burlington Water District
Statements of Cash Flows
June 30, 2022

Cash Flows from Operating Activities	
Receipts from Customers	\$279,123
Receipts from Property Taxes	144,888
Payments for Materials and Services	<u>(258,510)</u>
Net Cash Provided by (Used In) Operating Activities	165,501
Cash Flows from Capital and Related Financing Activities	
Principal Paid on Debt	(57,455)
Interest Paid on Debt	<u>(11,466)</u>
Net Cash Provided by (Used In) Financing Activities	(68,921)
Cash Flows from Investing & Nonoperating Activities	
SDC Charges	2,482
Interest	1,313
Miscellaneous	<u>15,287</u>
Net Cash Provided by (Used In) Investing & Nonoperating Activities	19,082
Net Increase (Decrease) in Cash	115,662
Beginning Cash	<u>216,943</u>
Ending Cash	<u>332,605</u>
Reconciliation of Operating Income to Net Cash	
Net Cash Provided by Operating Activities	
Operating Income	77,457
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	<u>88,044</u>
Net Cash Provided by Operating Activities	<u>\$ 165,501</u>

The notes to the financial statements are an integral part of this statement

Note 1 - Summary of Significant Accounting Policies

As discussed further in Note 1C, these financial statements are presented on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) established by the Governmental Accounting Standards Board (GASB). These modified cash financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the modified cash basis of accounting.

1A. Financial Reporting Entity

The District's financial reporting entity is composed of the following:

Primary Government	Burlington Water District
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In determining the financial reporting entity, the District complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

1B. Basis of Presentation

The accounts of the District are organized and operated on the basis of a single proprietary fund, an enterprise fund. Enterprise funds are proprietary funds used to account for business-type activities provided to the general public. These activities are financed primarily by user charges, and the measurement of financial activity focuses on net income similar to the private sector.

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 operations of a fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, net position, revenues and expenses. Government resources are allocated to and accounted for in individual funds based on the purposes for which revenues are received and monies expended.

1C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "how" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

Proprietary funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent, financial, or nonfinancial) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

In the Statement of Net Position, Statement of Receipts, Expenses, and Changes in Net Position, and Statement of Cash Flows, business-type activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, revenues, and expenditures/expenses when they result from cash transactions, with a provision for depreciation. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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

If the District utilized the basis of accounting recognized as generally accepted in the United States, all financial statements would be presented on the accrual basis of accounting.

1D. Assets, Liabilities, and Net Position

Cash and Investments

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 is the same as the value of the pool shares.

Capital Assets

The District's modified cash basis of accounting reports capital assets resulting from cash transactions in the Statement of Net Position. Capital assets are those assets that have an initial useful life extending beyond one reporting period. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable. Donated capital assets are recorded at their fair market value at the time of acquisition.

Depreciation of all exhaustible capital assets arising from cash transactions is recorded as an allocated expense in the Statement of Revenues, Expenses, and Changes in Net Position, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The capitalization threshold for the Distribution System is \$5,000, and the estimated life is 50 years.

Net Position Classification

Net position is classified and displayed in three components:

Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted - Consists of assets with constraints placed on the use either by (1) external groups such as creditors, granters, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted - All other assets that do not meet the definition of "restricted" or "net investment in capital assets."

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

1E. Revenues, Expenditures, and Expenses

Operating Revenue and Expenses

Operating revenue and expenses for proprietary funds result from providing services and producing and delivering goods and/or services. They also include all revenues and expenses not related to capital and related financing, noncapital financing, or investing activities.

1F. Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting used by the District requires management to make estimates and assumptions that affect certain reported amounts and disclosures (such as estimated useful lives in determining depreciation expense); accordingly, actual results could differ from those estimates.

Note 2 - Stewardship, Compliance, and Accountability

By its nature as a local government unit, the District is subject to various federal, state, and local laws and contractual regulations. The District has no instances of noncompliance that are considered material to the financial statements.

2A Budgetary Information

The District budgets in accordance with the requirements of state law. During FY 21-22, the District was in compliance with Oregon Budget Law.

Note 3 - Detail Notes – Transactions Classes/Accounts

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenditures/expenses.

3A Cash and Investments

The District maintains a cash pool that is available for use by the General Fund. Deposits with financial institutions consist of bank demand deposits.

Cash and investments are recorded at cost, which approximates fair market value, plus accrued interest at June 30, 2022. Cash and investments of the District at June 30, 2022 were:

Checking Account - Bank of the West - General	\$	53,251
Local Government Investment Pool - Fire		83,955
Local Government Investment Pool - General		195,369
Petty Cash		30
	\$	332,605

Deposits: The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. Federal depository insurance of \$250,000 applies respectively to total demand deposits and to total savings accounts at each financial institution. Where balances exceed \$250,000, banks are required to pledge collateral, based on their capital condition. Banks are required to provide quarterly reporting of their public funds deposits to the State Treasurer's office, which will be the basis for their collateral pledging for the next quarter. Treasury monitors each depository bank and ensures compliance with collateralization requirements for all public fund deposits. Banks will pledge 10% if they are well capitalized, 25% if they are adequately capitalized, and in turn, the banks are required to share in the liability of a failed institution, should it ever occur. Undercapitalized banks are required to pledge collateral equal to 110% of their deposits which is monitored on a weekly basis. At June 30, 2022, total demand deposits and savings accounts were \$53,251. All these deposits were covered by federal depository insurance.

Investments: The District's cash management policies are governed by state statutes. Statutes authorize the District to invest in bankers' acceptances, time certificates of deposit, repurchase agreements, obligations of the United States' agencies and instrumentalities and the Oregon State Treasurer's Local Government Investment Pool (LGIP). At June 30, 2022, the District had invested \$279,324 with the Oregon Short-Term Fund (ORTF), which is a cash and investment pool available for use by all state funds and local governments and is maintained by the State Treasurer. The Local Government Investment Pool (LGIP) is an open-ended, no-load diversified portfolio offered to eligible participants, including any municipality, political subdivision, or public corporation of the state. Currently, there are more than 1,500 participants in the Pool. Local government pooled assets are reported as an Investment Trust Fund in Oregon's comprehensive Annual Financial Report. The Oregon Short-Term Fund Board, established by the Oregon Legislature, advises the Oregon Investment Council and the Oregon State Treasury in the management and investments of the LGIP. The carrying value of this investment (cost) approximates the market value at June 30, 2022.

Credit Risk: The State of Oregon LGIP is not registered with the U.S. Securities and Exchange Commission as an investment company. The Oregon revised Statutes and the Oregon Investment Council govern the Pool's investment policies. The State Treasurer is the investment office for the LGIP, and it is responsible for all funds in the LGIP. These funds must be invested, and the investments managed, as a prudent investor would, exercising reasonable care, skill and caution. Investments in the fund are further governed by portfolio guidelines issued by the Oregon Short-Term Funds Board, which establish diversification percentages and specify the types and maturities of the investments. The overall credit quality of the pool is not rated. The Oregon Audits Division of the Secretary of State's Office audits the Pool annually. The Division's report on the LGIP as of and for the year ended June 30, 2022, was unqualified.

Concentration Risk: The District had concentrations in the following investments: LGIP 84.0%.

Interest Rate Risk: The District does not have a formal investment policy that explicitly limits investment maturities as a means of managing its exposure to fair value loss arising from increasing interest rates.

3B. Capital Assets

Capital asset activity, resulting from modified cash basis transactions, for the fiscal year ended June 30, 2022, was as follows:

	<u>Balance at July 1, 2021</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at June 30, 2022</u>
Non-Depreciable Capital Assets				
Land	\$ 1,000	\$ -	\$ -	\$ 1,000
Depreciable Capital Assets				
Distribution System	3,395,501	-	-	3,395,501
Less Accumulated Depreciation For:				
Distribution System	(1,119,377)	(88,044)	-	(1,207,421)
Total Depreciable Capital Assets, Net of Depreciation	2,276,124	(88,044)	-	2,188,080
Total Capital Assets, Net of Depreciation	<u>\$ 2,277,124</u>	<u>\$ (88,044)</u>	<u>\$ -</u>	<u>\$ 2,189,080</u>

Depreciation expense of \$88,044 was charged to the General Fund.

3C. Long-Term DebtInfrastructure Finance Authority (IFA) Loan #S01006

During the fiscal year 2001-2002, the District began work on a Highway 30 line extension project. Funding for this project was provided by the District and a Safe Drinking Water Revolving Loan issued by the Oregon Economic & Community Development Department. As of June 30, 2004, the District had drawn the full amount of an available maximum of \$1,070,000. The first \$250,000 of the note principal was forgiven by the State under the agreement, leaving a balance of \$820,000. The first payment on the loan was made on December 1, 2003. The loan has an annual interest rate of 1.0% and a term of 30 years.

The principal and interest repayment schedule is shown below:

IFA Loan - S01006			
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022-23	\$ 28,479	\$ 3,295	\$ 31,774
2023-24	28,764	3,010	31,774
2024-25	29,052	2,722	31,774
2025-26	29,342	2,431	31,773
2026-27	29,636	2,138	31,774
2027-32	152,683	6,183	158,866
2032-33	31,459	315	31,774
Balance 6/30/22	<u>\$ 329,415</u>	<u>\$ 20,094</u>	<u>\$ 349,509</u>

Infrastructure Finance Authority (IFA) Loan #S12005

In August 2012 the District took out a loan with the Oregon Infrastructure Finance Authority in the amount of \$1,317,000 to finance system improvements. Because of economic conditions in the District, \$631,700 of the total was forgiven, leaving a balance of \$685,300. It is a 30 year loan with an estimated interest rate of 1%.

In August 2013 the District approved Amendment No. 1 to the loan agreement, which authorized total borrowing not to exceed \$1,649,000. Of this total, IFA agreed to forgive a principal amount of \$690,300, leaving a balance of \$958,700. The principal and interest payment schedule is shown below.

IFA Loan - S12005			
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022-23	\$ 29,551	\$ 7,597	\$ 37,148
2023-24	29,846	7,302	37,148
2024-25	30,145	7,003	37,148
2025-26	30,446	6,702	37,148
2026-27	30,751	6,397	37,148
2027-32	158,427	27,313	185,740
2032-37	166,508	19,230	185,738
2037-42	175,001	10,735	185,736
2042-45	109,043	2,186	111,229
Balance 6/30/22	<u>\$ 759,718</u>	<u>\$ 94,465</u>	<u>\$ 854,183</u>

The following is a summary of long-term debt activity for the year ended June 30, 2022:

Loan	PRINCIPAL				
	Beginning Balance	Paid	Ending Balance	Due Within One Year	Due After One Year
IFA: S01006	\$ 357,612	\$ (28,197)	\$ 329,415	\$ 28,479	\$ 300,936
IFA: S12005	788,976	(29,258)	759,718	29,551	730,167
Total	<u>\$ 1,146,588</u>	<u>\$ (57,455)</u>	<u>\$ 1,089,133</u>	<u>\$ 58,030</u>	<u>\$ 1,031,103</u>

Loan	TOTAL PAYMENTS		
	Principal	Interest	Total
IFA: S01006	\$ 28,197	\$ 3,577	\$ 31,774
IFA: S12005	29,258	7,890	37,148
Total	<u>\$ 57,455</u>	<u>\$ 11,467</u>	<u>\$ 68,922</u>

Infrastructure Finance Authority (IFA) Loan S22014

In April 2022, the District entered into a contract with the Oregon Infrastructure Finance Authority in the amount of \$314,650 to finance the Riverview Water Main Replacement and Construction project. \$40,000 of this loan is forgivable. It is a 30 year loan with an estimated interest rate of 1.58%.

The District will receive the loan proceeds on a reimbursement basis. The District had not received any of the loan proceeds as of June 30, 2022.

Note 4 - Other Notes

4A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters.

The District manages these various risks of loss as follows:

<u>Type of Loss</u>	<u>Method Management</u>	<u>Loss Risk Retained</u>
Torts, errors, and omissions	Purchased commercial insurance	None
Workers compensation, health and life	Purchased commercial insurance	None
Physical property loss and natural disasters	Purchased commercial insurance	None

Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

4B. Commitments and Contingencies

Commitments

There were no commitments that were not disclosed in the financial statements.

Contingencies

Litigation

The District is a party to various legal proceedings that normally occur in the course of governmental operations. As a result of the modified cash basis of accounting, the financial statements do not include accrual or provisions for loss contingencies that may result from these proceeding. While the outcome of the above noted proceedings cannot be predicted, due to the insurance coverage maintained by the District and the State statute relating to judgments, the District feels that any settlement or judgment not covered by insurance would not have a material adverse effect on the financial condition of the District

Supplementary Section

June 30, 2022

Burlington Water District

Burlington Water District
 Budgetary Comparison Schedule
 General Fund

June 30, 2022 with Comparative Totals for the Year Ended June 30, 2021

	2022			Variance Over/(Under)	2021
	Original Budget	Final Budget	Actual		Actual
Revenues					
Water Sales	\$ 333,680	\$ 333,680	\$ 279,123	(54,557)	\$ 245,643
Property Taxes	142,000	142,000	144,888	2,888	142,024
SDC Charges	-	-	2,482	2,482	-
Interest Income	1,200	1,200	1,313	113	1,165
Grant Proceeds	150,000	150,000	-	(150,000)	-
Loan Proceeds	150,000	150,000	-	(150,000)	-
New Water Service/Misc.	-	-	15,287	15,287	389
Total Revenues	<u>776,880</u>	<u>776,880</u>	<u>443,093</u>	<u>(333,787)</u>	<u>389,221</u>
Expenditures					
Materials and Services	320,650	320,650	258,510	(62,140)	264,527
Debt Service	76,425	76,425	68,921	(7,504)	68,922
Capital Outlay	300,000	300,000	-	(300,000)	-
Operating Contingencies	110,000	110,000	-	(110,000)	-
Total Expenditures	<u>807,075</u>	<u>807,075</u>	<u>327,431</u>	<u>(479,644)</u>	<u>333,449</u>
Net Change in Cash Balance	(30,195)	(30,195)	115,662	145,857	55,772
Beginning Cash Balance	<u>150,000</u>	<u>150,000</u>	<u>216,943</u>	<u>66,943</u>	<u>161,170</u>
Ending Cash Balance	<u>\$ 119,805</u>	<u>\$ 119,805</u>	<u>\$ 332,605</u>	<u>\$ 212,800</u>	<u>\$ 216,942</u>

Burlington Water District
 Schedule of Future Requirements for Retirement of Long-Term Principal and Interest Obligations
 IFA Loan S01006
 June 30, 2022

<u>Due Date</u>	<u>Required for Principal</u>	<u>Required for Interest</u>	<u>Total Requirements</u>
12/1/2022	28,479	3,294	31,773
12/1/2023	28,764	3,009	31,773
12/1/2024	29,052	2,722	31,774
12/1/2025	29,342	2,431	31,773
12/1/2026	29,636	2,138	31,774
12/1/2027	29,932	1,841	31,773
12/1/2028	30,231	1,543	31,774
12/1/2029	30,534	1,240	31,774
12/1/2030	30,839	935	31,774
12/1/2031	31,147	627	31,774
12/1/2032	31,459	315	31,774
	<u>\$ 329,415</u>	<u>\$ 20,095</u>	<u>\$ 349,510</u>

Burlington Water District
Schedule of Future Requirements for Retirement of Long-Term Principal and Interest Obligations
IFA Loan S12005
June 30, 2022

<u>Due Date</u>	<u>Required for Principal</u>	<u>Required for Interest</u>	<u>Total Requirements</u>
12/1/2022	29,551	7,597	37,148
12/1/2023	29,846	7,302	37,148
12/1/2024	30,145	7,003	37,148
12/1/2025	30,446	6,702	37,148
12/1/2026	30,751	6,397	37,148
12/1/2027	31,058	6,090	37,148
12/1/2028	31,369	5,779	37,148
12/1/2029	31,682	5,466	37,148
12/1/2030	31,999	5,149	37,148
12/1/2031	32,319	4,829	37,148
12/1/2032	32,642	4,506	37,148
12/1/2033	32,969	4,179	37,148
12/1/2034	33,298	3,849	37,147
12/1/2035	33,631	3,516	37,147
12/1/2036	33,968	3,180	37,148
12/1/2037	34,307	2,840	37,147
12/1/2038	34,650	2,497	37,147
12/1/2039	34,997	2,151	37,148
12/1/2040	35,347	1,801	37,148
12/1/2041	35,700	1,447	37,147
12/1/2042	36,057	1,090	37,147
12/1/2043	36,419	729	37,148
12/1/2044	36,567	366	36,933
	<u>\$ 759,718</u>	<u>\$ 94,465</u>	<u>\$ 854,183</u>

Required Disclosures

June 30, 2022

Burlington Water District


Management Representation of Fiscal Affairs

Required by Oregon Regulation

The Burlington Water District (the District) is subject to, and responsible for, compliance with various laws, rules, and regulations relating to its operations and finances. Among 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.
- Budget legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded by outside sources.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing (ORS) Chapters 279A, 279B, 279C).

The management of the District 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 affects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.



Signature

CHAIRMAN - BWD

Title

9/26/2022

Date