



# Annual Comprehensive Financial Report

For the Fiscal Years Ended  
June 30, 2025 and 2024



*Bull Run Watershed and Dam*

3105 SW 89<sup>th</sup> Avenue  
Portland, OR 97225

Phone: (503) 292-2777  
[www.WSWD.org](http://www.WSWD.org)

**Intentionally Left Blank**

**WEST SLOPE WATER DISTRICT**  
**Washington County, Oregon**

**Annual Comprehensive Financial Report**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

**Prepared by Wendy K. Irwin, CPA**  
**Finance Manager**

**WEST SLOPE WATER DISTRICT**  
**TABLE OF CONTENTS**  
For the Years Ended June 30, 2025 and 2024

---

	<u>Page</u>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal .....	2-5
Certificate of Achievement for Excellence in Financial Reporting.....	6
Organizational Structure.....	7
Board of Commissioners.....	8
 <b>FINANCIAL SECTION</b>	
Independent Auditor’s Report.....	10-12
Management’s Discussion and Analysis .....	13-24
 <b><u>Basic Financial Statements</u></b>	
Statements of Net Position.....	26-27
Statements of Revenues, Expenses, and Changes in Net Position .....	28
Statements of Cash Flows.....	29-30
Notes to Basic Financial Statements.....	31-58
 <b><u>Required Supplemental Information</u></b>	
Schedule of the District’s Proportionate Share of the Net Pension (Asset) Liability – Oregon Public Employees Retirement System (OPERS).....	60-61
Schedule of the District’s Contributions – Oregon Public Employees Retirement System (OPERS) .....	62
Schedule of Changes in Total Liability and Related Ratios – Other Post Employment Benefits (OPEB) .....	63
 <b><u>Other Supplementary Information</u></b>	
Introduction to Other Supplementary Information .....	66
Reconciliation of Revenues and Expenditures (Budgetary Basis) to the Statement of Revenues, Expenses, and Changes in Net Position .....	67
Schedule of Revenues, Expenditures, and Change in Fund Balance – Budget and Actual (Budgetary Basis)	
General Fund.....	68
Rate Stabilization Reserve Fund.....	69
Equipment Reserve Fund .....	70
Capital Improvement Reserve Fund.....	71
System Development Charge Fund.....	72

**STATISTICAL SECTION**

Introduction to Statistical Section .....74

Financial Trends

    Net Position by Component .....75

    Change in Net Position ..... 76-77

    Operating Revenues .....78

    Operating Expenses .....79

    Non-Operating Revenues (Expenses) .....80

Revenue Capacity

    Schedule of Water Sold and Purchased .....81

    History of Water Rates .....82

    Water Billed by Customer Class .....83

    Capital Contributions by Source / History of SDC Rates.....84

    Sale of Water, Write-Offs, and Allowance for Uncollectible Accounts .....85

Debt Capacity

    Revenue Bond Debt Coverage.....86

    Debt Per Service Connection .....87

Demographic Information

    Full-Time Equivalent Employees by Function.....88

    Top Ten Rate Payers .....89

Operating Information

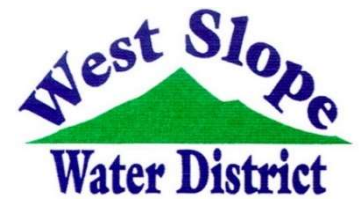
    Gallons of Water Consumed.....90

    Water Purchased, Consumed, and Billed .....91

**COMPLIANCE SECTION**

Independent Auditor’s Report Required by Oregon State Regulations ..... 94-95

**Intentionally Left Blank**



# **INTRODUCTORY SECTION**



3105 SW 89<sup>th</sup> Avenue  
PO Box 25140  
Portland, OR 97298  
Office: (503) 292-2777  
[www.wswd.org](http://www.wswd.org)

October 23, 2025

To The Board of Commissioners and the  
Customers of West Slope Water District

We are pleased to submit the Annual Comprehensive Financial Report of West Slope Water District (the District) for the fiscal year ended June 30, 2025. State law requires that every municipal corporation publish, within six months of the close of each fiscal year, unless extended, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2025.

The District's management has full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

REDW LLC, has issued an unmodified ("clean") opinion on the West Slope Water District's financial statements for the years ended June 30, 2025 and 2024. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

### **Profile of the District**

West Slope Water District, established in 1922, is a domestic water supply district operating under Oregon Revised Statutes (ORS), Chapter 264. The District supplies potable water to both residential and commercial customers and provides water for fire protection. It is located in eastern Washington County, in northwestern Oregon, which is part of the Portland metropolitan area.

The District's service area consists of approximately three-and-one-half square miles with a population of about 10,500 residents. The District's transmission and distribution system includes 48 miles of water main ranging in size from 2 to 18 inches in diameter, one 2.25-million-gallon concrete reservoir, one 3-million-gallon concrete reservoir, and one 0.8-million-gallon steel tank. All reservoirs are covered and secured. The District maintains over 450 hydrants, 800 valves, and 3,300 water meters.

The District serves an area within Washington County that is fully developed with minimal vacant land. Therefore, any development within the District is generally in-fill. As a result, the expected growth for the District's service territory is minimal, at 0.3 percent. Most of the District's service territory is residential with a mix of commercial running down Southwest Canyon Road (Highway 8) and Southwest Beaverton-Hillsdale Highway (Highway 10).

A five-member Board of Commissioners, elected to overlapping four-year terms governs the District. The Board of Commissioners set policy and hire and oversee the General Manager, who is charged with the daily management of the District. The District is not a component of any other entity, nor does the District have potential component units, as defined by the Governmental Accounting Standards Board (GASB).

The District prepares an annual budget, which serves as the foundation for the financial planning and control of the District's activities. The District's budget accounting records are maintained by fund on the modified accrual basis. The budget is adopted by fund and by major functional category. All budget changes after adoption require a resolution by the Board of Commissioners.

The District purchases one hundred percent of its water from the City of Portland (City) under a 20-year Regional Water Sales Agreement, which secures water resources from the Bull Run Watershed and Columbia South Shore well fields through June 30, 2026. After a several year process between the City and other wholesale water purchasers in the region, a new long-term wholesale water agreement was completed in May 2024. The District's Board approved this new 30-year Wholesale Water Agreement with the City to become effective on July 1, 2026, when the current agreement ends, thus, securing a source of water supply for District's customers for years to come.

In addition to the City of Portland line, the District is fortunate to have a backup intertie with Tualatin Valley Water District (TVWD). The intertie supplies the District with on-demand water supply for emergencies and scheduled maintenance. District staff monitor interties with the City of Portland and TVWD utilizing Supervisory Control and Data Acquisition (SCADA) controls.

In May 2009, the City of Beaverton withdrew approximately five percent of the District's service territory. The District and the City of Beaverton finalized an Intergovernmental Agreement (IGA) in May 2011, for debt service and unclaimed water reimbursement through 2028. Additional information about the IGA with the City of Beaverton can be found in the *Notes to Basic Financial Statements* on page 57.

### **Local Economy**

As noted above, the District is located in Washington County, the second most populous county in Oregon, and is part of the Portland Metro Statistical Area. The County is centered on a fertile plain that attracted farmers before the first wagon trains. Agriculture is still a major industry in Washington County, as are lumber, manufacturing, and food processing. The development of a large electronics industry during the 1980's and 1990's is the dominating factor of the county economy, contributing to the creation of Oregon's Silicon Forest.

Major employment industries in Washington County include manufacturing, education, and health services. These three are the largest industries in terms of employment share, making up over 65% of total employment.

According to the State of Oregon Employment Department, as of June 2025, Washington County's unemployment rate, seasonally adjusted, was 4.5% which is up from the previous year of 3.6% at June 2024. The unemployment rate in Washington County is lower than the State of Oregon and consistent with the Portland metropolitan area. In addition, per the Bureau of Economic Analysis (BEA), the per capita personal income in Washington County (\$79,139 in 2023) consistently ranks as one of the highest compared to the rest of Oregon.

### **Financial Condition and Future Planning**

As noted above, the District has very little available property for additional development and therefore receives minimal revenues from System Development Charges (SDCs). As a result, the District's operating revenue primarily comes from the sale of water to residential and commercial customers. Fluctuations in water revenue are driven primarily by variations in outdoor temperature and the responsive demand for landscape irrigation by both residential and commercial customers.

One of the most significant operating expenses for the District is purchased water costs. Under the terms of the water purchase agreement with the City of Portland, the District's purchased water costs can be significantly impacted by shared capital improvement costs undertaken by the City. The District closely monitors its five-year financial plan which utilizes among other variables the wholesale water rate forecasts provided by the City. Recent forecasts have shown increases in the wholesale water rates over the next five years as the City completes construction on the Bull Run Filtration Facility.

During the fiscal year, the District updated its Water System Master Plan by performing a comprehensive analysis of its existing infrastructure. Prepared in accordance with Oregon statutes, this update reflects changes in infrastructure needs, regulatory requirements, and community growth since the prior 2014 plan. The 2024 Master Plan identifies and prioritizes infrastructure replacements based on their importance to critical District operations. This plan will guide the planning of future capital improvement projects.

The District also completed a water rate study during the fiscal year to evaluate revenue requirements for rising wholesale water and operating costs as well as future infrastructure needs. Based on the results of the study, the Board approved a plan to increase consumption rates by 5 percent in each of the next two years as well as increase the monthly meter charges to align with industry standards. In addition, the District will adopt a new, more equitable rate structure that introduces three distinct customer classes with rates tailored to usage patterns. The new rate structure will take effect in November 2025. Along with the new rate structure and revised monthly meter charges, the District has established a fair and sustainable approach to funding system costs over the next several years.

The District's final payment on its outstanding revenue bonds will be made in October 2027. The District has no immediate plans for additional long-term borrowing. However, more than likely, the District will need to borrow funds to replace the 2.25 MG concrete reservoir with a new 3.0 MG earthquake resilient reservoir within the next five years. Current financial plans continue to include annual contributions into the Capital Improvement Reserve Fund which are utilized for pipe replacement projects on a pay-as-you-go basis.

The District ended the fiscal year 2025 with a strong financial position with combined cash reserves of \$7.5 million. Further information regarding the District's financial condition can be found in the *Management Discussion and Analysis* section beginning on page 13.

### **Financial Policies**

The District's *Financial Management Policies* were adopted by the Board on March 19, 2025. These policies address rate setting, financial planning, budgeting, debt management, accounting standards and reporting, internal controls, procurement, and other financial goals and objectives. Overall, the District's financial policies set forth operating principles for the effective management of financial risk, cost containment, and debt issuance. Consistent with the Government Finance Officers Association (GFOA) best practice, the District maintains General Fund reserves equal to at least four months of General Fund operating expenses.

To The Board of Commissioners and the  
Customers of West Slope Water District  
October 23, 2025

---

The Board and staff have a responsibility for safeguarding District assets from fraud. Because the finance team is small, the District has taken steps to address the limited separation of duties, a key fraud prevention measure. To further protect assets and ensure accurate financial reporting, the District maintains a system of internal accounting controls that management reviews annually. These controls include monthly reviews of bank reconciliations, financial reports, and other business activities by the Board and General Manager, as well as oversight of the annual budget process.

### **Awards**

During FY2025, the District was honored to receive the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. This was the nineteenth year the District has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year. We believe that this FY 2025 Annual Comprehensive Financial Report continues to meet the Certificate of Achievement program's requirements and will submit it to the GFOA to determine its eligibility for another certificate.

### **Acknowledgements**

The preparation of this report would not have been possible without the dedication and support of the entire District staff. We sincerely appreciate the contributions of all staff members who helped ensure its timely completion.

Credit also must be given to the Board of Commissioners for their support in maintaining high standards of professionalism in the management of the District finances. Their guidance and leadership are of invaluable service to the financial management and stability of the District.

Respectfully Submitted,



Michael W. Grimm, P.E.  
General Manager



Wendy K. Irwin, CPA  
Finance Manager



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**West Slope Water District  
Oregon**

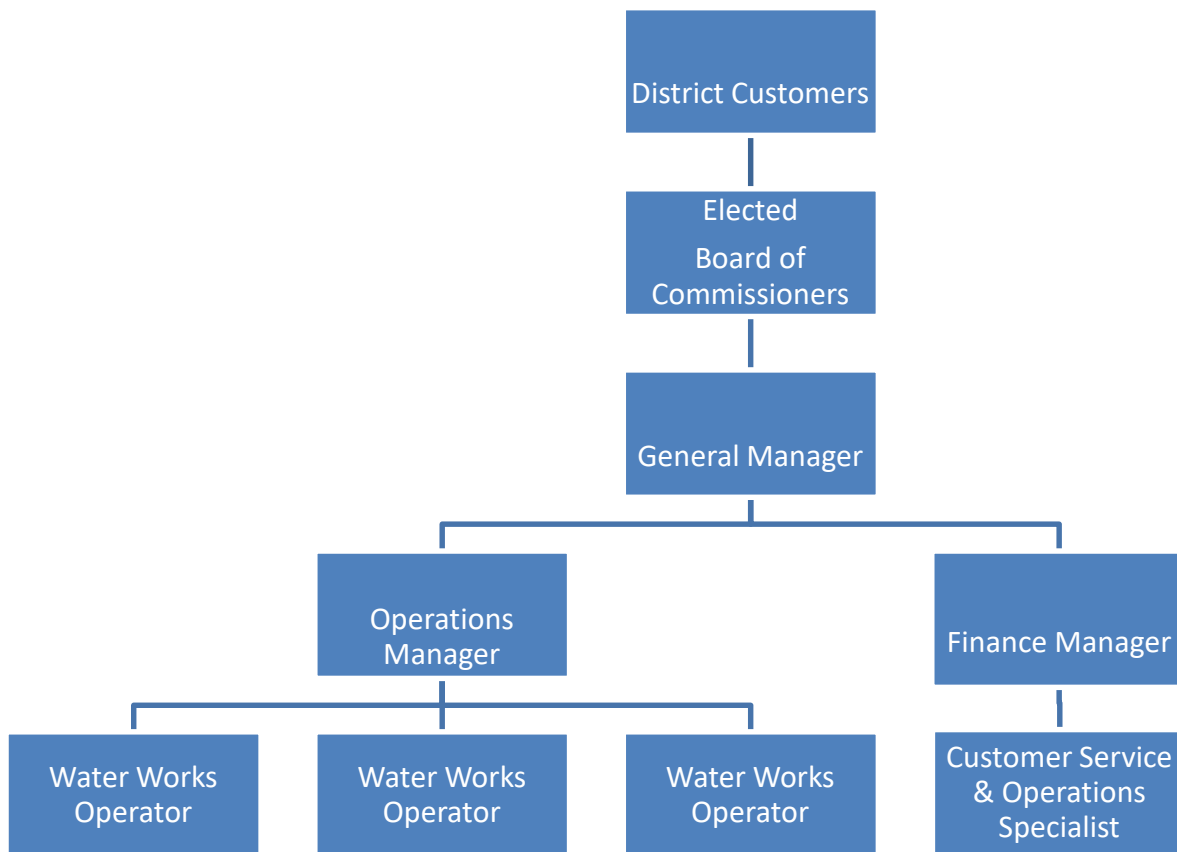
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

*Christopher P. Morill*

Executive Director/CEO

### West Slope Water District Organization Structure



**WEST SLOPE WATER DISTRICT**  
**BOARD OF COMMISSIONERS**  
June 30, 2025

---

<u>Board of Commissioners</u>	<u>Term Expires</u>
Ramesh Krishnamurthy, Chair	June 30, 2029
Andy Smith, Treasurer	June 30, 2027
Paul Schuler, Secretary	June 30, 2029
Chris Eppler	June 30, 2027
Susan Meamber	June 30, 2029

Commissioners may be contacted at the address below.


Registered Agent  
Michael W. Grimm, P.E.

In Person  
3105 SW 89<sup>th</sup> Avenue  
Portland, Oregon 97225

Via US Mail  
P.O. Box 25140  
Portland, Oregon 97298

Via Email: [customer.service@wswd.org](mailto:customer.service@wswd.org).

Via voice message: 503-292-2777



**West Slope**  
**Water District**

**FINANCIAL**  
**SECTION**

## Independent Auditor's Report

Board of Commissioners  
West Slope Water District  
Portland, Oregon

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of the business-type activities of the West Slope Water District (the "District"), as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the business-type activities of the District, as of June 30, 2025 and 2024, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement issuance date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the District's proportionate share of the net pension liability (asset) – Oregon Public Employees Retirement System (OPERS), the schedule of the District's contributions – (OPERS), and the schedule of changes in total liability and related ratios – other post-employment benefits (OPEB), be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic

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

***Supplementary Information***

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

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information Included in the Annual Comprehensive Financial Report (ACFR)***

Management is responsible for the other information included in the annual comprehensive financial report (ACFR). The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

***Other Reporting Required by Minimum Standards for Audits of Oregon Municipal Corporations***

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated October 23, 2025, on our consideration of the District's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



Jesse Jiron, Principal  
For REDW<sub>LLC</sub>  
Albuquerque, New Mexico  
October 23, 2025

The management of West Slope Water District (the District) offers the readers this narrative overview and analysis of the financial activities of the District for the fiscal years ended June 30, 2025 and 2024. We encourage readers to consider the information presented here in conjunction with the additional information provided in our letter of transmittal and the accompanying financial statements.

### **Financial Highlights**

- Cash and cash equivalents including restricted cash at year end FY 2025 totaled \$7.5M, an increase of \$1.1M from the previous year, due to substantially less funds expended for major capital projects in FY 2025 as compared to the previous year.
- Accounts receivable, net of allowance at year end FY 2025 totaled \$686K, an increase of \$27K from the previous year, due to annual water rate increases and a higher City of Beaverton receivable at year end.
- Accounts payable and accrued payroll liabilities at year end FY 2025 totaled \$515K, a decrease of \$189K from the previous year, due to lower payables related to capital projects with the substantial completion of the Beaverton-Hillsdale pipe replacement in prior year.
- Long-term debt at year end FY 2025 totaled \$1.0M, a decrease of \$312K from the previous year, due to the annual payments of outstanding principal on revenue bonds. No new debt was issued.
- Revenue from water sales for FY 2025 was \$5M, an increase of \$271K from FY 2024 primarily due to annual water rate increases.
- The cost of purchased water for FY 2025 was \$1.3M, an increase of \$46K from FY 2024 due to a slight increase in the wholesale rate charged by the City of Portland.
- Net position at year end FY 2025 totaled \$18.9M, an increase of \$1.7M million from the previous year.

### **Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the West Slope Water District's basic financial statements. The District is a self-supporting entity and follows enterprise fund reporting. Accordingly, the financial statements are presented using the economic resources measurement focus and accrual basis of accounting. The District's basic financial statements are comprised of four components as noted below. This report also contains supplementary information intended to furnish additional detail to support the basic financial statements.

#### *Statement of Net Position*

This statement presents the current and long-term portions of assets and liabilities separately and provides information about the nature and amounts of investments in resources (assets) and obligations to creditors (liabilities). The change in net position is calculated by taking the total of assets and deferred outflows of resources less liabilities and deferred inflows of resources. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. This statement also provides the basis for evaluating the capital structure and assessing liquidity and financial flexibility of the District.

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

This statement presents information showing profitability and creditworthiness as well as how net position changed during the year. The statement shows income and expenses from operations, nonoperating revenues and expenses, and reconciles the change from one fiscal year to the next. The statement measures the success of the District's operations during the year and the success of recovering its costs through user fees and other charges. This statement is prepared on the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

*Statement of Cash Flows*

This statement shows the sources and uses of cash. It details cash flows from operating activities, capital and related financing activities, and investing activities as well as providing reconciliation to the *Statement of Revenues, Expenses and Changes in Net Position*. The primary purpose of this statement is to provide information about the District's cash receipts and cash payments during the year and demonstrates where cash came from, what cash was used for, and the change in cash balance during the year.

*Notes to Basic Financial Statements*

The notes to the basic financial statements provide additional information essential to a full understanding of the data provided in the financial statements.

*Supplementary Information*

In addition to the basic financial statements and accompanying notes, this report also presents both required and other supplementary information. Required supplementary information contains comparative information to support pension note disclosures. Other supplementary information provides budgetary fund statements. These statements provide more detailed information about the District's funds. A fund is a self-balancing set of accounts used to track and report specific financial activities, resources, and obligations that are restricted to particular purposes by law, regulation, or policy. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with budgetary legal requirements.

**Financial Analysis**

Net Position

As noted earlier, net position can serve as a useful indicator of the financial health of an organization. A summary of the District's *Statement of Net Position* at June 30<sup>th</sup> is as follows:

**WEST SLOPE WATER DISTRICT**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
June 30, 2025 and 2024

**Table 1**  
**Net Position**

	<u>2025</u>	<u>2024</u>	<u>Difference</u> <u>2025-2024</u>	<u>Percent</u> <u>Change</u>	<u>2023</u>
Current assets	\$ 8,229,663	\$ 7,099,985	\$ 1,129,678	15.9%	\$ 8,402,025
Other noncurrent assets	12,915	27,741	(14,826)	-53.4%	16,907
Capital assets, net	<u>13,148,804</u>	<u>13,135,899</u>	<u>12,905</u>	<u>0.1%</u>	<u>10,327,034</u>
<b>Total assets</b>	<u>21,391,382</u>	<u>20,263,625</u>	<u>1,127,757</u>	<u>5.6%</u>	<u>18,745,966</u>
Deferred outflows of resources	<u>491,375</u>	<u>328,861</u>	<u>162,514</u>	<u>49.4%</u>	<u>323,702</u>
<b>Total assets and deferred outflows of resources</b>	<u><u>\$ 21,882,757</u></u>	<u><u>\$ 20,592,486</u></u>	<u><u>\$ 1,290,271</u></u>	<u><u>6.3%</u></u>	<u><u>\$ 19,069,668</u></u>
Current liabilities	\$ 969,746	\$ 1,135,604	\$ (165,858)	-14.6%	\$ 1,003,349
Noncurrent liabilities	<u>1,763,257</u>	<u>1,928,823</u>	<u>(165,566)</u>	<u>-8.6%</u>	<u>2,153,692</u>
<b>Total liabilities</b>	<u>2,733,003</u>	<u>3,064,427</u>	<u>(331,424)</u>	<u>-10.8%</u>	<u>3,157,041</u>
Deferred inflows of resources	<u>211,847</u>	<u>285,444</u>	<u>(73,597)</u>	<u>-25.8%</u>	<u>433,242</u>
<b>Total liabilities and deferred inflows of resources</b>	<u>2,944,850</u>	<u>3,349,871</u>	<u>(405,021)</u>	<u>-12.1%</u>	<u>3,590,283</u>
Net investment in capital assets	11,881,515	11,365,277	516,238	4.5%	8,626,920
Restricted	12,915	27,741	(14,826)	-53.4%	16,907
Unrestricted	<u>7,043,477</u>	<u>5,849,597</u>	<u>1,193,880</u>	<u>20.4%</u>	<u>6,835,558</u>
<b>Total net position</b>	<u>18,937,907</u>	<u>17,242,615</u>	<u>1,695,292</u>	<u>9.8%</u>	<u>15,479,385</u>
<b>Total liabilities, deferred inflows of resources and net position</b>	<u><u>\$ 21,882,757</u></u>	<u><u>\$ 20,592,486</u></u>	<u><u>\$ 1,290,271</u></u>	<u><u>6.3%</u></u>	<u><u>\$ 19,069,668</u></u>

Over the last several years, the District's net position at year end has continued to increase. As shown in Table 1, at the end of FY 2025, FY 2024, and FY 2023, the District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources (net position) by \$18.9M, \$17.2M, and \$15.5M, respectively.

The largest portion of the District's net position reflects the investment in capital assets (e.g. pipes, meters, reservoirs, land, buildings, and equipment) less any related outstanding debt that was used to acquire those assets. The District uses these assets to provide water services to ratepayers; consequently, these assets are not available for future spending. In contrast, the amount included as unrestricted in the District's net position is available for future expenditures.

Current assets increased by \$1.1M, largely due to increases in cash and investments as expenditures were lower in FY 2025 compared to FY 2024 since the Beaverton-Hillsdale project was substantially completed in 2024 and no major capital projects were undertaken by the District in 2025. Net capital assets remained relatively consistent between the two years due to the same reason. Deferred outflows increased by \$162K from FY2024 to FY 2025 due to actuarial changes in pension and OPEB estimates.

Current liabilities decreased by \$166K due to lower payables related to the higher Beaverton-Hillsdale project at fiscal year end 2025 than 2024. Noncurrent liabilities continued to decrease in FY 2025 by \$166K as debt gets paid down. Deferred inflows decreased by \$74K due to the difference between projected and actual pension earnings.

**WEST SLOPE WATER DISTRICT**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
June 30, 2025 and 2024

Change in Net Position

As shown below in Table 2, for FY 2025, the District's change in net position was \$1.7M with a decrease of \$68K or 4% over FY 2024. In FY 2025, operating revenues increased as the Board continues to approve annual rate increases. Although revenues increased from the prior year, operating expenses increased by a higher percentage, primarily relating to costs incurred for the master plan and rate study that was completed in FY 2025.

For FY 2024, the change in net position was \$1.8M with a decrease of \$290K or 14% over FY 2023. Although operating revenue increased in FY 2024, operating expenses increased by \$626 over the previous year, led by a 29% increase in the wholesale water rate charged by the City of Portland, thereby reducing the net operating income from the previous year.

**Table 2**  
**Change in Net Position**

	<b>2025</b>	<b>2024</b>	<b>Difference 2025-2024</b>	<b>Percent Change</b>	<b>2023</b>
<b>OPERATING REVENUES</b>					
Sale of water	\$ 5,054,274	\$ 4,782,873	\$ 271,401	5.7%	\$ 4,588,104
Other operating revenue	103,575	104,434	(859)	-0.8%	92,770
Total operating revenues	<u>5,157,849</u>	<u>4,887,307</u>	<u>270,542</u>	<u>5.5%</u>	<u>4,680,874</u>
<b>OPERATING EXPENSES</b>					
Water purchased	1,342,551	1,296,906	45,645	3.5%	1,005,579
Personnel services	1,168,420	1,077,144	91,276	8.5%	857,942
Maintenance and repairs	192,408	241,043	(48,635)	-20.2%	176,383
General and administrative	331,989	314,281	17,708	5.6%	286,336
Master plan and rate study	201,781	-	201,781	100.0%	-
Depreciation and amortization	516,155	457,989	58,166	12.7%	435,370
Total operating expenses	<u>3,753,304</u>	<u>3,387,363</u>	<u>365,941</u>	<u>10.8%</u>	<u>2,761,610</u>
Operating income	1,404,545	1,499,944	(95,399)	-6.4%	1,919,264
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Interest income	299,574	311,133	(11,559)	-3.7%	184,699
Interest expense	(42,678)	(56,006)	13,328	-23.8%	(63,795)
Gain (Loss) on disposition of assets	29,837	(1,689)	31,526	-1866.5%	(6,864)
Net non-operating revenues	<u>286,733</u>	<u>253,438</u>	<u>33,295</u>	<u>13.1%</u>	<u>114,040</u>
Excess before capital contributions	1,691,278	1,753,382	(62,104)	-3.5%	2,033,304
<b>CAPITAL CONTRIBUTIONS</b>	<u>4,014</u>	<u>9,848</u>	<u>(5,834)</u>	<u>-59.2%</u>	<u>19,878</u>
<b>CHANGE IN NET POSITION</b>	1,695,292	1,763,230	(67,938)	-3.9%	2,053,182
<b>NET POSITION, Beginning of Year</b>	<u>17,242,615</u>	<u>15,479,385</u>	<u>1,763,230</u>	<u>11.4%</u>	<u>13,426,203</u>
<b>NET POSITION, End of Year</b>	<u>\$ 18,937,907</u>	<u>\$ 17,242,615</u>	<u>\$ 1,695,292</u>	<u>9.8%</u>	<u>\$ 15,479,385</u>

Net Operating Income

In FY 2025, the District generated \$1.4M of net operating income, which is a decrease of \$95K or 6% less than the operating income generated in FY 2024. In FY 2024, the District generated \$1.5M of net operating income, which is a decrease of \$419K or 22% less than the operating income generated in FY 2023. The following pages provide explanations of these changes.

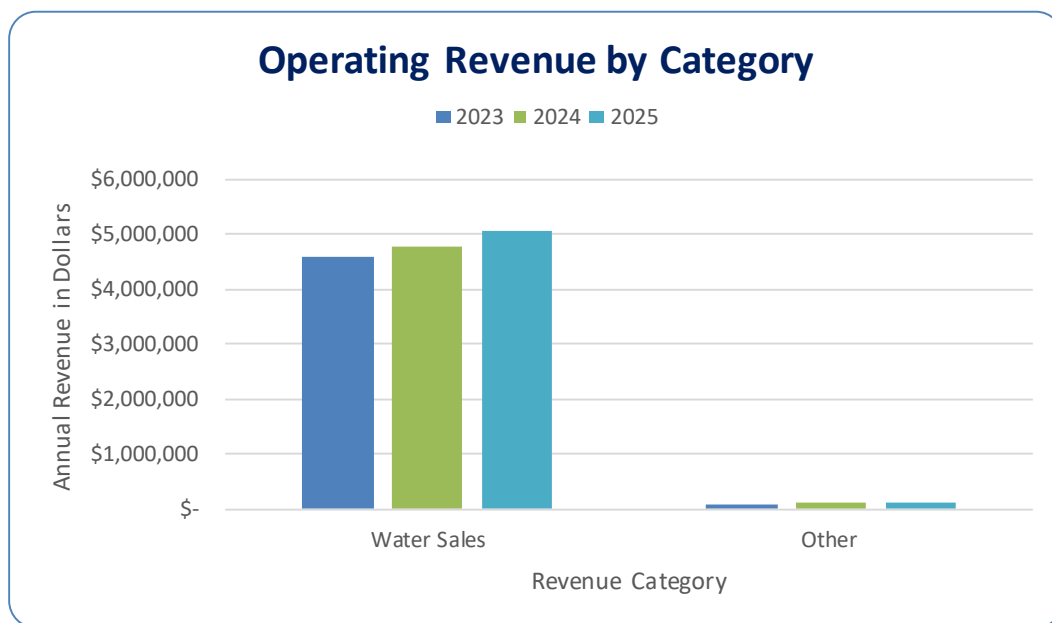
Operating Revenues

Figure 1 below compares operating revenues over the last three years by category.

For FY 2025, the District’s total operating revenues increased by \$271K or 6% over the previous year. Water sales were higher due to increased water rates for the fiscal year as compared to the previous year. For FY 2025, rates increased 6% for water consumption and 3% for the monthly meter charge while water billed remained relatively consistent between the two years. Amounts included in other operating revenue are penalty fees, right-of-way fees, and debt reimbursement income per the City of Beaverton IGA. Amounts in other operating revenue remained relatively consistent from FY 2024 to FY 2025.

For FY 2024, the District’s total operating revenues increased by \$206K or 4% over the previous year. Water sales were higher due to increased water rates offset by overall lower water usage as compared to the previous year. For FY 2024, rates increased 14% for water consumption and 3.5% for the monthly meter charge while water billed decreased by approximately 35,000 CCF’s or 7% between the two years. Amounts included in other operating revenue remained relatively consistent from FY 2023 to FY 2024, with the primary increase in penalties collected of \$8K.

**Figure 1**  
**FY 2023 – FY 2025**



Operating Expenses

Figure 2 on the next page compares operating expenses by category over the past three years. Water purchased by the District is the largest single operating expense, followed by personnel services which include wages, benefits, retirement contributions, and payroll taxes.

For FY 2025, the District's total operating expenses increased by \$366K or 11% from FY 2024. Operating expenses continue to increase each year due to inflation and other economic factors. For FY 2025, the cost of the master plan and rate study of \$202K was the largest portion of the increase in total operating expenses.

In FY2025, the cost of purchased water increased by \$46K or 3.5% from the previous year. This was due to an increase in the per unit wholesale water rate charged by the City of Portland (City) from \$1.892 in FY 2024 to \$1.964 in FY 2025, while the guaranteed minimum purchase of units remained the same. For fiscal years 2021 to 2023, the wholesale water rate declined due to decreases in capital expenditures allocated to the City's wholesale customers. However, the wholesale rates are now forecasted to increase in future years as the City completes the construction on the Bull Run Water Filtration Plant and allocates these capital expenditures to wholesale customers.

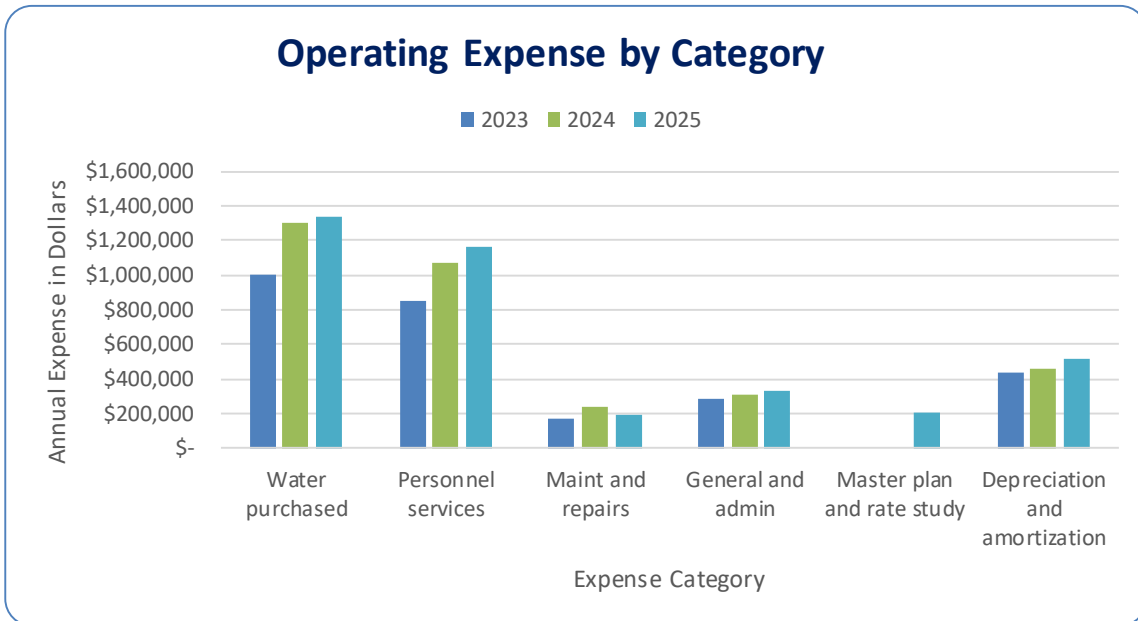
In addition to increased purchased water costs, in FY 2025 personnel services increased by \$91K or 8.5% from the previous year due to a 3.7% cost-of-living adjustment, merit increases for certifications, increased health benefit costs, and the addition of sick leave accrual for GASB 101 implementation. Increase in general and administrative expenses of \$18K or 5.6% in FY 2025 included higher professional fees for legal services and premium increases on general liability insurance. The maintenance and repairs line item is the one category of expense that decreased, \$49K or 20%, primarily due to periodic costs for system valve maintenance incurred in 2024 but not in 2025.

For FY 2024, the District's total operating expenses increased by \$626K or 23% from FY 2023. This increase in operating expenses was due to increases in all categories with the largest increases in water purchased and personnel services.

In FY 2024, the cost of purchased water increased by \$291K or 29% from the previous year. This was due to an increase in the per unit wholesale water rate charged by the City of Portland (City) from \$1.471 in FY 2023 to \$1.892 in FY 2024, while the guaranteed minimum purchase of units remained the same.

In addition to increased purchased water costs, in FY 2024 personnel services increased by \$219K or 26% from the previous year due to a 7.2% cost-of-living adjustment, merit increases for certifications, and increased health benefit costs. In addition, FY 2024 included a full year's worth of wages for a water operator hired in April 2023 after the position was vacant for a couple of years. Maintenance and repair expenses increased by \$65K or 37% in FY 2024 from the previous year due to increased costs including 5-year valve maintenance expense and paving costs for the shop/office yard. Increased general and administrative expenses of \$28K or 10% in FY 2024 included higher online payment portal fees and premium increases on general liability insurance.

**Figure 2**  
**FY 2023 – FY 2025**



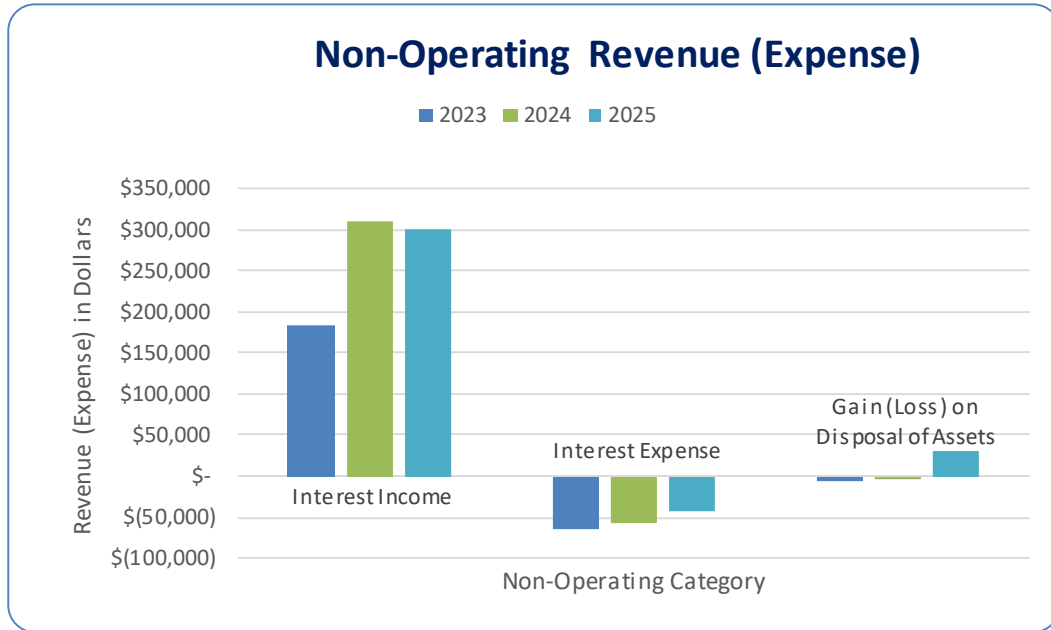
**Non-operating Revenues (Expenses)**

Included in non-operating revenues and expenses are interest income and interest expense in addition to the gain (loss) on disposition of capital assets. Figure 3 on the next page compares non-operating revenues and expenses over the past three years.

In FY 2025, the District’s net non-operating revenues and expenses increased by \$33K or 13% compared to FY 2024, primarily due to the gain from disposing of a utility truck. Interest income on reserve funds declined as rates fell from a peak of 5.3% to a low of 4.6%, while Interest expense continued to decrease in line with the reduction of outstanding debt.

In FY 2024, the District’s net non-operating revenues and expenses increased by \$139K or 122% compared to FY 2023. The increase was mainly driven by higher interest income as interest rates rose to 5.3% , generating additional earnings on reserve funds. This was partially offset by lower interest expense due to declining outstanding debt. In addition, the loss on the disposal of capital assets decreased in FY 2024 because fewer radio read meters were replaced compared to the prior year.

**Figure 3**  
**FY 2023 – FY 2025**



**Total Revenues and Expenses**

In Table 3 below, the District’s total revenues and expenses are summarized and the resulting net changes in position are compared for the past three years. Detail of the changes from year to year are discussed in the previous pages.

For FY 2025, total revenues increased by \$285K or 6% and total expenses increased by \$353K or 12% from the preceding year. For FY 2024, total revenues increased by \$328K or 7% and total expenses increased by \$618K or 22% from the preceding year.

**Table 3**  
**Total Revenues and Total Expenses**  
**FY 2025 – FY 2023**

	<b>2025</b>	<b>2024</b>	<b>Difference 2025-2024</b>	<b>Percent Change</b>	<b>2023</b>
Operating revenues	5,157,849	\$ 4,887,307	\$ 270,542	5.8%	\$ 4,680,874
Non-operating revenues	329,411	311,133	18,278	9.9%	184,699
Capital contributions	4,014	9,848	(5,834)	-29.3%	19,878
<b>Total revenues</b>	<b>5,491,274</b>	<b>5,208,288</b>	<b>282,986</b>	<b>5.8%</b>	<b>4,885,451</b>
Operating expenses	3,753,304	3,387,363	365,941	13.3%	2,761,610
Non-operating expenses	42,678	57,695	(15,017)	-21.3%	70,659
<b>Total expenses</b>	<b>3,795,982</b>	<b>3,445,058</b>	<b>350,924</b>	<b>12.4%</b>	<b>2,832,269</b>
<b>Change in net position</b>	<b>\$ 1,695,292</b>	<b>\$ 1,763,230</b>	<b>\$ (67,938)</b>	<b>-3.3%</b>	<b>\$ 2,053,182</b>

Capital Assets Activity

As shown in Table 4 below, the District's capital assets, net of depreciation and amortization, at June 30, 2025, were \$13M, which was substantially the same as the previous year as no major capital projects were undertaken by the District in FY 2025.

**Table 4**  
**Capital Assets, Net**  
**FY 2025 - FY 2023**

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Capital assets, nondepreciable			
Land	\$ 44,724	\$ 44,724	\$ 44,724
Projects in progress	233,012	111,669	912,724
<b>Total nondepreciable assets</b>	<u>277,736</u>	<u>156,393</u>	<u>957,448</u>
Capital assets, net of depreciation			
Buildings and improvements	142,868	152,241	165,198
Water systems	12,199,620	12,295,212	8,599,921
Equipment and software	510,869	487,066	532,204
<b>Total depreciable assets, net</b>	<u>12,853,357</u>	<u>12,934,519</u>	<u>9,297,323</u>
<b>Subtotal</b>	<u>13,131,093</u>	<u>13,090,912</u>	<u>10,254,771</u>
Right-to-use assets, net of amortization			
Lease asset	13,988	18,925	23,862
Subscription asset	3,723	26,062	48,401
<b>Total right-to-use assets, net</b>	<u>17,711</u>	<u>44,987</u>	<u>72,263</u>
<b>Total</b>	<u>\$ 13,148,804</u>	<u>\$ 13,135,899</u>	<u>\$ 10,327,034</u>

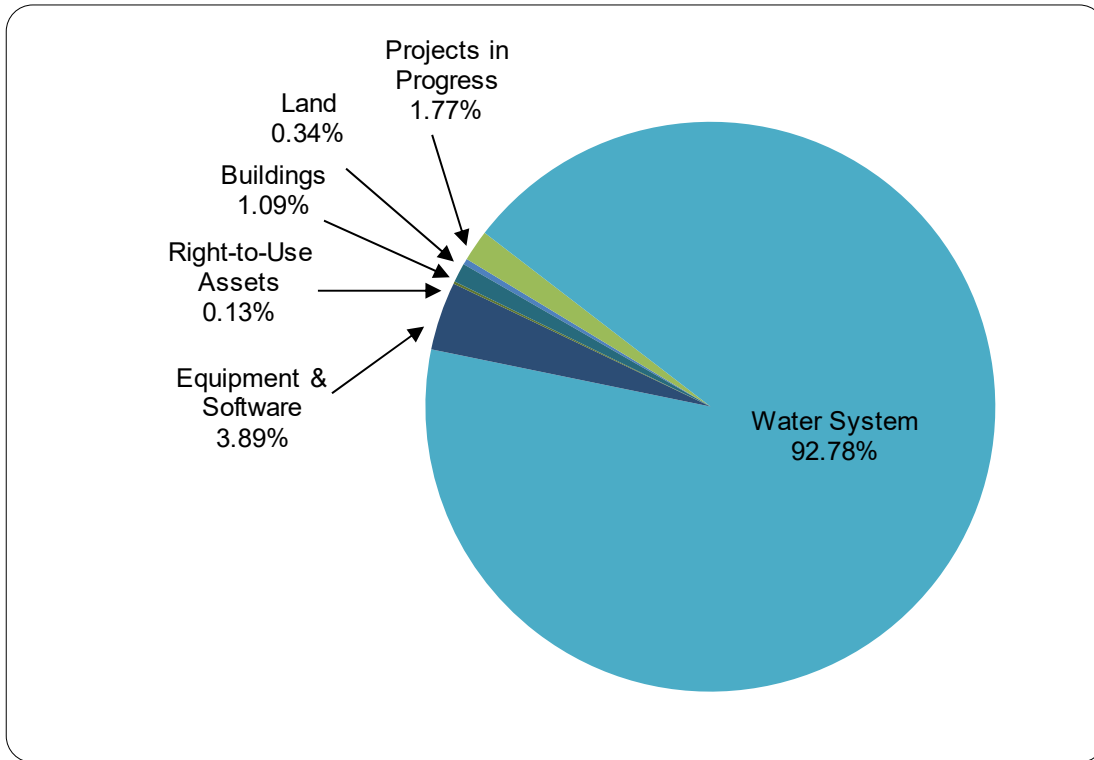
Capital assets acquired during FY 2025 totaled \$530K and included the following:

- \$21K for replacement of failed radio read meters;
- \$84K for replacement of utility truck and box;
- \$304K for additional costs related to the Beaverton-Hillsdale main line replacement project, substantially completed in FY 2024; and
- \$121K for engineering services for new pipe replacement project and new reservoir, projects in progress.

For the fiscal years ended 2025 and 2024, depreciation and amortization expense was \$516K and \$458, respectively. Additional information on the District's capital assets can be found in the *Notes to the Financial Statements* beginning on page 38.

Figure 4 below shows the District’s net capital asset categories and their percentage of the total net asset value at June 30, 2025.

**Figure 4**  
**Distribution of Capital Assets**  
**FY 2025**



Long-Term Debt Activity

At the end of FY 2025, the District had total outstanding long-term debt of \$1.0M as shown in Table 5 below.

**Table 5**  
**Outstanding Long-Term Debt**  
**FY 2025 – FY 2023**

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Water revenue bonds			
Principal outstanding	\$ 1,010,000	\$ 1,320,000	\$ 1,620,000
Bond premiums	6,358	8,743	11,129
	<u>1,016,358</u>	<u>1,328,743</u>	<u>1,631,129</u>
Right-to-use liabilities			
Lease liability	14,739	19,463	23,957
Subscription liability	-	23,976	45,028
	<u>14,739</u>	<u>43,439</u>	<u>68,985</u>
	<u>\$ 1,031,097</u>	<u>\$ 1,372,182</u>	<u>\$ 1,700,114</u>

*Water Revenue Bonds*

The 20-year water revenue bonds were issued in 2008 for \$5M to finance the construction of water system improvements and to pay costs of issuance of the bonds. The bonds mature in 2028 and have an interest rate of 3.5 to 4 percent. The District's bond rating by Moody's Global Rating Scale is Aa3. The rating reflects the District's very strong debt service coverage and liquidity levels. The District is in compliance with all debt covenants and coverage ratios.

*Lease Liability*

During FY 2023, the District entered into a 60-month lease for the right-to-use office copier/printer equipment. Amounts were recorded in the financial statements per GASB Statement 87, *Leases*, which requires both a lease liability and a right-to-use lease asset to be recognized on the *Statement of Net Position* at the net present value of lease payments, if the term of the lease is greater than one year. In FY 2025 and 2024, the District did not enter into any additional leases that were required to be recognized in the financial statements under GASB 87.

*Subscription Liability*

During FY 2023, the District entered into a 3-year agreement for the right-to-use subscription-based accounting and billing software. As required by GASB Statement 96, *Subscription-Based Information Technology Arrangements*, both a subscription liability and right-to-use subscription asset were recognized on the *Statement of Net Position* at the net present value of contract payments, since the term was greater than one year. In FY 2025 and 2024, the District did not enter into any additional subscription-based arrangements that were required to be recognized in the financial statements under GASB 96.

Further information about long-term debt is included in the *Notes to the Financial Statement* on pages 40-42 and the *Statistical Section* on page 86.

**Economic Factors and Next Year's Budget**

As noted earlier, the District prepares and adopts an annual budget that serves as the foundation for its financial planning and control. The budget is maintained by fund on a modified accrual basis of accounting. The adopted FY 2026 budget totals \$15,118,000, representing an increase of \$1,056,000, or 7.5%, compared to the FY 2025 budget.

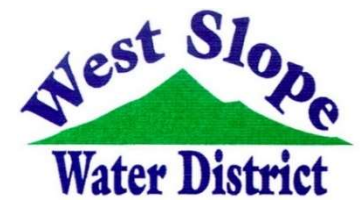
For FY 2026, revenues are projected to increase by 7%, primarily due to water rate adjustments. Operating expenses are expected to increase by 6% driven by higher purchased water costs and personnel services. The capital outlay budget also increased, reflecting construction costs on the Garden View pipe replacement project and engineering design costs for a new reservoir. Consistent with prior years, the District continues to set aside net revenues for future infrastructure repairs and replacements, budgeted at \$1,715,000 for FY 2026.

The Board of Commissioners, in coordination with management, reviews water rates annually. In FY 2025, the District completed a water rate study that projected revenues, operating expenses, and capital expenditures over the next ten years. Based on the study's recommendations, the Board adopted Resolution 05-2025, which increased consumption rates by 5% and adjusted the monthly meter charges, effective July 1, 2025. The Board also approved a transition from a flat consumption rate to a tiered rate structure based on customer class, effective November 1, 2025.

Management is unaware of any conditions not disclosed in this report that would have a significant impact on the District's financial position (net position) or operating results.

**Requests for Information**

The financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information can be addressed to the Finance Manager, West Slope Water District, PO Box 25140, Portland, Oregon 97298, or [wirwin@wswd.org](mailto:wirwin@wswd.org). The District's phone number is 503-292-2777.



# **BASIC FINANCIAL STATEMENTS**

**WEST SLOPE WATER DISTRICT**  
**STATEMENTS OF NET POSITION**  
June 30, 2025 and 2024

---

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 7,438,396	\$ 6,355,103
Accounts receivable, net of allowance	685,653	658,192
Prepaid expenses	64,471	41,457
Inventory	41,143	45,233
Total current assets	<u>8,229,663</u>	<u>7,099,985</u>
<b>Noncurrent assets</b>		
Restricted cash	12,915	27,741
Capital assets:		
Nondepreciable assets	277,736	156,393
Depreciable assets, net of depreciation	12,853,357	12,934,519
Lease asset, net of amortization	13,988	18,925
Subscription asset, net of amortization	3,723	26,062
Total noncurrent assets	<u>13,161,719</u>	<u>13,163,640</u>
Total assets	<u>21,391,382</u>	<u>20,263,625</u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Other post employment benefits	3,781	5,007
Pension	487,594	323,854
Total deferred outflows of resources	<u>491,375</u>	<u>328,861</u>
Total assets and deferred outflows of resources	<u>\$ 21,882,757</u>	<u>\$ 20,592,486</u>

Continued on next page.

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

**WEST SLOPE WATER DISTRICT**  
**STATEMENTS OF NET POSITION**  
June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 430,451	\$ 627,426
Accrued payroll liabilities	84,830	76,710
Customer deposits	22,500	16,900
Interest payable	9,999	13,001
Current portion:		
Compensated absences	89,616	60,483
Bonds payable	327,384	312,384
Lease liability	4,966	4,724
Subscription liability	-	23,976
Total current liabilities	<u>969,746</u>	<u>1,135,604</u>
<b>Noncurrent liabilities</b>		
Other post employment benefits	36,914	38,158
Compensated absences	4,107	17,360
Net pension liability	1,023,489	842,207
Bonds payable	688,974	1,016,359
Lease liability	9,773	14,739
Total noncurrent liabilities	<u>1,763,257</u>	<u>1,928,823</u>
Total liabilities	<u>2,733,003</u>	<u>3,064,427</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Other post employment benefits	67,734	70,401
Pension	144,113	215,043
Total deferred inflows of resources	<u>211,847</u>	<u>285,444</u>
<b>NET POSITION</b>		
Net investment in capital assets	11,881,515	11,365,277
Restricted for capital projects	12,915	27,741
Unrestricted	7,043,477	5,849,597
Total net position	<u>18,937,907</u>	<u>17,242,615</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 21,882,757</u>	<u>\$ 20,592,486</u>

Continued from previous page.

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

**WEST SLOPE WATER DISTRICT****STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**

For the Fiscal Years Ended June 30, 2025 and 2024

	<b>2025</b>	<b>2024</b>
<b>OPERATING REVENUES</b>		
Sale of water	\$ 5,054,274	\$ 4,782,873
Service installations and modifications	8,055	7,229
Miscellaneous	95,520	97,205
Total operating revenues	5,157,849	4,887,307
<b>OPERATING EXPENSES</b>		
Water purchased	1,342,551	1,296,906
Personnel services	1,168,420	1,077,144
Maintenance and repairs	192,408	241,043
General and administrative	331,989	314,281
Master plan and rate study	201,781	-
Depreciation and amortization	516,155	457,989
Total operating expenses	3,753,304	3,387,363
Operating income	1,404,545	1,499,944
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Interest income	299,574	311,133
Interest expense	(42,678)	(56,006)
Gain (Loss) on disposition of assets	29,837	(1,689)
Net non-operating revenues (expenses)	286,733	253,438
<b>CAPITAL CONTRIBUTIONS</b>		
System development charges	4,014	9,848
<b>CHANGE IN NET POSITION</b>	1,695,292	1,763,230
<b>NET POSITION, Beginning of Year</b>	17,242,615	15,479,385
<b>NET POSITION, End of Year</b>	\$ 18,937,907	\$ 17,242,615

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

**WEST SLOPE WATER DISTRICT**  
**STATEMENTS OF CASH FLOWS**  
For the Fiscal Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 5,135,988	\$ 4,846,347
Payments to employees for wages and benefits	(1,200,493)	(1,097,374)
Payments to suppliers for goods and services	(2,284,628)	(1,733,082)
Net cash provided by operating activities	<u>1,650,867</u>	<u>2,015,891</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital asset acquisition and construction	(530,668)	(3,268,543)
Proceeds from sale of assets	31,445	-
Lease payments	(4,724)	(4,494)
Subscription payments	(23,976)	(21,052)
Bond payments	(310,000)	(300,000)
Interest paid on debt	(48,065)	(61,205)
System development charges received	4,014	9,848
Net cash used by capital and related financing activities	<u>(881,974)</u>	<u>(3,645,446)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	299,574	311,133
Net cash provided by investing activities	<u>299,574</u>	<u>311,133</u>
<b>NET CHANGE IN CASH AND EQUIVALENTS</b>	1,068,467	(1,318,422)
<b>CASH AND INVESTMENTS, Beginning of Year</b>	6,382,844	7,701,266
<b>CASH AND INVESTMENTS, End of Year</b>	<u>\$ 7,451,311</u>	<u>\$ 6,382,844</u>
<b>STATEMENT OF NET POSITION ACCOUNTS</b>		
Cash and cash equivalents	\$ 7,438,396	\$ 6,355,103
Restricted cash	12,915	27,741
	<u>\$ 7,451,311</u>	<u>\$ 6,382,844</u>

Continued on next page.

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

**WEST SLOPE WATER DISTRICT**  
**STATEMENTS OF CASH FLOWS**  
For the Fiscal Years Ended June 30, 2025 and 2024

---

	<u>2025</u>	<u>2024</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating income	\$ 1,404,545	\$ 1,499,944
Adjustments		
Depreciation and amortization	516,155	457,989
<i>(Increase) decrease in:</i>		
Accounts receivable	(27,461)	(36,660)
Prepaid expenses	(23,014)	8,293
Inventory	4,090	1,151
Deferred outflows of resources	(162,514)	(5,159)
<i>Increase (decrease) in:</i>		
Accounts payable	(196,975)	109,704
Accrued payroll liabilities	8,120	7,035
Customer deposits	5,600	(4,300)
Compensated absences	15,880	26,836
Net OPEB obligation	(1,244)	(14,486)
Net pension liability	181,282	113,342
Deferred inflows of resources	(73,597)	(147,798)
Net cash provided by operating activities	<u>\$ 1,650,867</u>	<u>\$ 2,015,891</u>

Continued from previous page.

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

**NOTE 1 – REPORTING ENTITY**

West Slope Water District is a municipal corporation organized and operating under ORS Chapter 264 for the purpose of providing domestic water service to residential and commercial customers. The District was formed in 1922 and has served its customers in eastern Washington County, Oregon for over 100 years. The District is governed by a five-member Board of Commissioners elected by the voters within the service area boundaries. Day-to-day administrative duties are delegated to the general manager who oversees staff and reports to the Board.

The principal source of revenue is from water sales which are expended for operations and capital improvement projects. The District purchases all of its water supply from the City of Portland which is distributed by gravity fed pipe to customers within the District.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the District have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as applied to government units in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

*Basis of Presentation and Accounting*

For financial reporting purposes, the District reports on an enterprise fund basis. Enterprise funds, a proprietary fund type, are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operations are included in the *Statement of Net Position*.

The District's financial statements are prepared on the accrual basis of accounting which is in accordance with generally accepted accounting principles (GAAP) in the United States of America as noted above. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when liabilities are incurred, regardless of the timing of the related cash flow.

When both restricted and unrestricted resources are available for use, the District's policy is to spend restricted resources first, then unrestricted resources as they are needed.

The District is the primary, special purpose government responsible for providing water service within its boundaries. As a result, all of the District's activities are included in its financial statements. The financial statements represent those of a stand-alone government, as there are no component units or internal service funds.

*Operating and Non-operating Revenues and Expenses*

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with ongoing operations. The District defines operating revenues as all service charges directly attributable to providing water, which include water sales and service charges. Operating expenses include the cost of wholesale water, system operations, general and administrative expenses, and depreciation on capital assets.

All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Capital Contributions*

Capital contributions consist primarily of system development charges and include contributions by developers for meter and pipe installation and contributions for easements.

*Cash and Cash Equivalents*

For financial reporting purposes, the District's cash and cash equivalents include cash on hand, demand deposits, and deposits held in the Oregon Local Government Investment Pool (LGIP). Interest earned on cash and cash equivalents is allocated to each fund based on their respective balance.

Cash and cash equivalents are defined as short-term, highly liquid investments that are both:

- a. Readily convertible to known amounts of cash.
- b. So near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

Generally, only investments with original maturities of three months or less meet this definition.

The District follows GASB 72, *Fair Value Measurement and Application*, which requires certain investments to be valued at fair value. The District's investments, authorized under state statutes, are comprised of amounts deposited in the LGIP. The difference between cost and fair value is not material.

Restricted cash consists of funds restricted by state statutes to be used for capital outlay.

*Accounts Receivable*

Water services receivable consists of amounts due from residential and commercial customers for water sales and related services. The District bills customers monthly, and revenues are recognized as they are earned. Estimated revenues for water consumed but not yet billed are accrued.

Receivables are reported net of an allowance for doubtful accounts, which is periodically reviewed based on an aging analysis of outstanding balances. Management has elected to write off all unpaid balances once they are sent to collections.

*Inventory*

Inventory of materials is stated at cost using the average cost method of accounting and is charged against operations as used.

*Prepaid Expenses*

Prepaid expenses consist of unexpired professional dues and insurance premiums on policies as of the fiscal year end. Amounts included in prepaids are recorded as expense as the term expires.

*Capital Assets*

Capital assets are valued at cost. Water systems acquired before June 30, 1954, are valued at estimated cost as determined by a consulting engineer. Contributed assets are recorded at acquisition value at the time received. The costs of certain water mains and service installations since July 1, 1973, have been financed by contributions from persons requesting the service extensions. Records are not adequate to determine amounts prior to July 1, 1973.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Capital Assets (continued)*

Capital assets are defined by the District as assets with an initial, individual cost of \$5,000 or more, and having a useful life extending beyond a single reporting period. Additions or improvements and other capital outlays that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation of capital assets has been recognized and reflected in the basic financial statements. Capital assets are depreciated using the straight-line method over the following estimated useful lives.

Asset	Years
Water Systems	50
Buildings and Improvements	39
Equipment and Software	5 - 20

Equipment and software includes heavy and light duty vehicles, water meters, office equipment, computers, and software. Monthly depreciation is taken in the year the assets are acquired or retired. Gains or losses from sales or retirements of capital assets are included in operations of the current period.

*Lease Asset and Liability*

In accordance with *GASB Statement 87, Leases*, the District recognizes a lease liability and an intangible right-to-use lease asset in the financial statements for all leases with a noncancelable term of more than one year. A lease liability is recognized at the net present value of the lease payments expected to be made during the lease term. The lease liability is then reduced by principal payments made over the lease term. The lease asset is measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. The lease asset is amortized on a straight-line basis over the shorter of the lease term or the estimated useful life of the underlying asset.

To determine the rate used to discount the expected lease payments to the present value, the District uses the interest rate charged by the lessor as the discount rate. When the interest charged by the lessor is not provided, the District will generally use its estimated incremental borrowing rate as the discount rate.

*Subscription Asset and Liability*

In accordance with *GASB Statement 96, Subscription-Based Information Technology Arrangements (SBITA)*, the District recognizes a subscription liability and an intangible right-to-use subscription asset in the financial statements for subscription-based contracts with a noncancelable term of more than twelve months. A subscription liability is recognized at the net present value of the contract payments expected to be made during the contract term, which is the noncancellable period of the contract. The subscription liability is then reduced by principal payments made over the contract term. The subscription asset is measured as the initial amount of the related liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs. The subscription asset is amortized on a straight-line basis over the contract term.

To determine the rate used to discount the expected contract payments to the present value, the District uses the interest rate charged by the vendor as the discount rate. When the interest charged by the vendor is not known, the District will generally use its estimated incremental borrowing rate as the discount rate.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Compensated Absences*

During fiscal year 2025, the District implemented *GASB Statement 101, Compensated Absences*. This new standard enhances the recognition and measurement guidance for compensated absences, which include paid leave balances such as vacation, sick leave, and other similar benefits. Under GASB 101, liabilities for compensated absences are recognized for leave that 1) accumulates, 2) is attributable to services already rendered, and 3) is more likely than not to be used or settled through cash or non-cash means.

As a result of implementing GASB 101, the District is now required to recognize a liability for certain types of leave that were previously not recorded until taken or paid. The cumulative effect of this change was reported in the *Statement of Revenues, Expenses, and Changes in Net Position* for the fiscal year ended June 30, 2025. The prior year amounts have not been restated, as the impact was not considered material for financial statement comparison purposes.

Accrued leave along with the applicable salary-related payments are shown as an accrued liability for compensated absences on the *Statement of Net Position* and are recorded as an expense when earned.

The District's accrued liability for compensated absences consisted of the following types of leave:

*Vacation:* Vacation leave is accrued monthly based on years of service and is earned at a rate of twelve to thirty days per year for all full-time permanent employees. Employees may carry over their unused vacation time to the following year. Any balance of unused vacation time is paid out upon termination.

*Comp Time:* The District allows employees to apply overtime hours worked to compensatory time (comp time). Employees may use their banked comp time to either take additional paid time off or cash out their banked comp time in a lump sum. Employees may carry over unused comp time to the following year. Any balance of unused comp time is paid out upon termination.

*Sick Time:* Sick time is accrued at ten hours per month for all full-time permanent employees. Employees may carry forward unused sick leave each year up to a maximum of 480 hours. Unused sick time is not paid out upon separation from employment. However, it may be used in the calculation of Oregon PERS benefit upon retirement from the District for eligible employees.

*Deferred Outflows/Inflows of Resources*

In addition to assets, the *Statement of Net Position* reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense) until that time. The District has two items that qualify for reporting in this category. One type is related to the PERS net pension liability and the other type is related to OPEB. These amounts are deferred and recognized as an outflow of resources in the period the amounts become available.

In addition to liabilities, the *Statement of Net Position* reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. One type is related to the PERS net pension liability and the other type is related to OPEB. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Bond Premiums and Discounts*

Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expense when incurred.

*Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Net Position*

Net position comprises the various net earnings from operations, non-operating revenues, expenses, and contributions of capital. Net position is classified in the following three categories.

*Net investment in capital assets*: This category consists of all capital assets, net of accumulated depreciation and amortization, and reduced by outstanding debt that is attributable to the acquisition, construction, and improvement of those assets.

*Restricted*: This category consists of external constraints placed on net position use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. System development charges (SDC) are the only source of District's restricted funds. They may only be used for current capital improvement projects or debt service on past capital improvement projects.

*Unrestricted*: This category consists of the remaining net position that is not included in the other categories previously mentioned.

*Budget*

Oregon Budget Law requires annual budgets to be adopted for each of the District's funds and requires specific procedures to be followed when budgeting, including establishing a budget committee, providing adequate public notices of budget hearings, adopting the budget, and making appropriations.

The District's budget is adopted on the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized in the period they are measurable and available, and expenditures are recognized in the period in which the liability was incurred. Capital outlay is expensed in the year when purchased so depreciation expense is not recognized. Payments on long-term debt are expensed rather than accounted for as a reduction to the liability.

The Board of Commissioners adopts the budget by resolution making appropriations by major functional categories for each fund. The budget resolution sets the level at which actual expenditures cannot be legally exceeded. Appropriations lapse at the end of the annual budget period.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Budget (continued)*

The Board of Commissioners may transfer appropriations from one functional category to another by resolution. Total appropriations may not be increased outside of the budget process, except in certain situations as stated in Oregon budget law. In the event of an unforeseen pressing need for expenditures or if unforeseen funds become available during the year, the Board of Commissioners may increase appropriations by adopting a supplemental budget as outlined in Oregon budget law.

A summary of the District’s annual budget by fund for fiscal year ended June 30, 2025, is included in the *Other Supplementary Information* section attached to these *Basic Financial Statements*.

**NOTE 3 – CASH AND CASH EQUIVALENTS**

Cash and cash equivalents, recorded at fair value at June 30<sup>th</sup> consisted of the following:

	<u>2025</u>	<u>2024</u>
Cash on hand	\$ 450	\$ 450
Checking account	662,745	611,524
Payment portal deposit account	31,303	32,255
Participation in Oregon State Treasurer's Short-Term Investment Fund (LGIP)	6,756,813	5,738,615
	<u>\$ 7,451,311</u>	<u>\$ 6,382,844</u>

Investments included in cash and cash equivalents consisted of funds held in the LGIP at June 30 as follows:

	<u>2025</u>	<u>2024</u>
Weighted Average Maturity (Years)	<u>0.21</u>	<u>0.30</u>
Cost / Fair Value	<u>\$ 6,756,813</u>	<u>\$ 5,738,615</u>

The amounts reported on the *Statement of Net Position* at June 30<sup>th</sup> are as follows:

	<u>2025</u>	<u>2024</u>
Current Assets:		
Cash and cash equivalents	\$ 7,438,396	\$ 6,355,103
Noncurrent Assets:		
Restricted cash	12,915	27,741
	<u>\$ 7,451,311</u>	<u>\$ 6,382,844</u>

*Interest Rate Risk*

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

The weighted average maturity of the State Treasurer’s Local Government Investment Pool (the pool) at June 30, 2025 and 2024, was 75 and 109 days, respectively. The Pool’s investment policy requires that 50% of the portfolio must mature in 93 days. A maximum of 25% of the portfolio may mature over one year, and no investment may mature later than three years from its settlement date.

**NOTE 3 – CASH AND CASH EQUIVALENTS (continued)**

*Credit Risk*

State statutes allow the District to invest in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers’ acceptances, and the Oregon State Treasury Local Government Investment Pool, among others. The District has no investment policy that would further limit its investment choices.

*Concentration Of Credit Risk*

The District does not currently have an investment policy for concentration of credit risk. As a practice, the District invests excess funds in the Oregon State Local Government Investment Pool (LGIP) as is reasonably prudent while having cash available to meet daily operating needs. The LGIP operates in accordance with appropriate state laws and regulations, but is not regulated by other laws, organizations, or regulations. The reported value of the LGIP is the same as the fair value of LGIP shares. Investments are regulated by the Oregon Short Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). The LGIP is not registered with the SEC as an investment company and is unrated.

*Custodial Credit Risk – Deposits*

This is the risk that in the event of a bank failure, the District’s deposits may not be returned. As of June 30, 2025 and 2024, the book values of the District’s bank deposits in its checking account were \$662,745 and \$611,524 and the bank balances were \$669,499 and \$609,528, respectively. The difference is due to transactions in process. The amount of the bank balance covered by FDIC insurance is \$250,000. As required by Oregon Revised Statutes, deposits more than the federal depository insurance are held at a qualified depository for public funds. All qualified depositories for public funds are included in the multiple financial institution collateral pool that is maintained by and in the name of the Office of the State Treasurer. As a result, the District’s remaining deposits more than FDIC insurance are considered to be fully collateralized.

**NOTE 4 – ACCOUNTS RECEIVABLE**

The District bills its customers for water services on a monthly basis. Accounts receivable are stated at cost and are unsecured. The District’s collection program includes applying service fees to past due accounts, extending payment terms, and if needed, discontinuing water services. Management determines receivables to be past due based on individual circumstances and writes off accounts when they are determined to be uncollectible. Amounts over \$100 approved for write-off are sent to collections. During the fiscal years ended June 30, 2025 and 2024, bad debt expense was \$656 and \$934, respectively.

Additionally, the District bills the City of Beaverton annually for unclaimed water reimbursement per the terms of the May 18, 2011, Intergovernmental Agreement (IGA).

Accounts receivable, net of allowance at June 30<sup>th</sup> were as follows:

	<u>2025</u>	<u>2024</u>
Water services billed	\$ 388,639	\$ 371,385
Allowance for uncollectible accounts	(7,000)	(7,000)
Net water services receivable	<u>381,639</u>	<u>364,385</u>
Water services not yet billed	250,607	242,358
Beaverton unclaimed water reimbursement	<u>53,407</u>	<u>51,449</u>
	<u>\$ 685,653</u>	<u>\$ 658,192</u>

**WEST SLOPE WATER DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2025 and 2024

**NOTE 5 – CAPITAL ASSETS**

The changes in capital assets for the year ended June 30, 2025, are summarized below:

	<u>2024</u>	<u>Additions</u>	<u>Transfers</u>	<u>Deletions</u>	<u>2025</u>
<b>Nondepreciable assets</b>					
Land	\$ 44,724	\$ -	\$ -	\$ -	\$ 44,724
Projects in progress	111,669	425,732	(304,389)	-	233,012
Nondepreciable assets	<u>156,393</u>	<u>425,732</u>	<u>(304,389)</u>	<u>-</u>	<u>277,736</u>
<b>Depreciable assets</b>					
Buildings and improvements	373,876	-	-	-	373,876
Water systems	19,779,148	-	304,389	-	20,083,537
Equipment and software	1,130,340	104,936	-	(60,638)	1,174,638
Lease asset	24,685	-	-	-	24,685
Subscription asset	67,017	-	-	-	67,017
Total depreciable assets	<u>21,375,066</u>	<u>104,936</u>	<u>304,389</u>	<u>(60,638)</u>	<u>21,723,753</u>
<b>Accumulated depreciation and amortization</b>					
Buildings and improvements	(221,635)	(9,373)	-	-	(231,008)
Water systems	(7,483,936)	(399,981)	-	-	(7,883,917)
Equipment and software	(643,274)	(79,525)	-	59,030	(663,769)
Lease asset	(5,760)	(4,937)	-	-	(10,697)
Subscription asset	(40,955)	(22,339)	-	-	(63,294)
Total accumulated depreciation and amortization	<u>(8,395,560)</u>	<u>(516,155)</u>	<u>-</u>	<u>59,030</u>	<u>(8,852,685)</u>
Depreciable assets, net	<u>12,979,506</u>	<u>(411,219)</u>	<u>304,389</u>	<u>(1,608)</u>	<u>12,871,068</u>
<b>Total capital assets, net</b>	<u>\$ 13,135,899</u>	<u>\$ 14,513</u>	<u>\$ -</u>	<u>\$ (1,608)</u>	<u>\$ 13,148,804</u>

Projects in progress relate to ongoing construction and other capital costs to be placed in service pending completion. Typical costs in projects in progress include pipe replacements, reservoir projects, and miscellaneous other capital improvement projects. When projects are completed, total cost is transferred to the appropriate depreciable asset category.

**WEST SLOPE WATER DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2025 and 2024

**NOTE 5 – CAPITAL ASSETS (continued)**

The changes in capital assets for the year ended June 30, 2024, are summarized below:

	<u>2023</u>	<u>Additions</u>	<u>Transfers</u>	<u>Deletions</u>	<u>2024</u>
<b>Nondepreciable assets</b>					
Land	\$ 44,724	\$ -	\$ -	\$ -	\$ 44,724
Projects in progress	912,724	3,242,663	(4,043,718)	-	111,669
Nondepreciable assets	<u>957,448</u>	<u>3,242,663</u>	<u>(4,043,718)</u>	<u>-</u>	<u>156,393</u>
<b>Depreciable assets</b>					
Buildings and improvements	373,876	-	-	-	373,876
Water systems	15,745,008	-	4,043,718	(9,578)	19,779,148
Equipment and software	1,110,091	25,880	-	(5,631)	1,130,340
Lease asset	24,685	-	-	-	24,685
Subscription asset	67,017	-	-	-	67,017
Total depreciable assets	<u>17,320,677</u>	<u>25,880</u>	<u>4,043,718</u>	<u>(15,209)</u>	<u>21,375,066</u>
<b>Accumulated depreciation and amortization</b>					
Buildings and improvements	(208,678)	(12,957)	-	-	(221,635)
Water systems	(7,145,087)	(348,427)	-	9,578	(7,483,936)
Equipment and software	(577,887)	(69,329)	-	3,942	(643,274)
Lease asset	(823)	(4,937)	-	-	(5,760)
Subscription asset	(18,616)	(22,339)	-	-	(40,955)
Total accumulated depreciation and amortization	<u>(7,951,091)</u>	<u>(457,989)</u>	<u>-</u>	<u>13,520</u>	<u>(8,395,560)</u>
Depreciable assets, net	<u>9,369,586</u>	<u>(432,109)</u>	<u>4,043,718</u>	<u>(1,689)</u>	<u>12,979,506</u>
<b>Total capital assets, net</b>	<u>\$ 10,327,034</u>	<u>\$ 2,810,554</u>	<u>\$ -</u>	<u>\$ (1,689)</u>	<u>\$ 13,135,899</u>

Projects in progress relate to ongoing construction and other capital costs to be placed in service pending completion. Typical costs in projects in progress include pipe replacements, reservoir projects, and miscellaneous other capital improvement projects. When projects are completed, total cost is transferred to the appropriate depreciable asset category.

**NOTE 6 – COMPENSATED ABSENCES**

District employees earn vacation and other leave benefits in accordance with established policies approved by the District’s Board of Commissioners. The liability for compensated absences is reported in the *Statement of Net Position*. The liability is based on the amounts employees have earned but not yet used, and which are expected to be paid in future periods.

The following table summarizes the changes in the compensated absences liability for years ended June 30<sup>th</sup>:

	<u>Beginning Balance</u>	<u>Net Change During the Year</u>	<u>Ending Balance</u>	<u>Current Portion</u>	<u>Noncurrent Portion</u>
2025	\$ 77,843	\$ 15,880	\$ 93,723	\$ 89,616	\$ 4,107
2024	\$ 51,007	\$ 26,836	\$ 77,843	\$ 60,483	\$ 17,360

**WEST SLOPE WATER DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2025 and 2024

**NOTE 7 – LEASE LIABILITY**

The District entered into a five-year lease agreement for three operating copier/printers, effective April 2023. The current outflow for the lease is \$523 per month with a 6 percent annual increases every April. The lease asset is being amortized using the straight-line method over the lease term of five years. An initial lease asset and liability were recorded in the amount of \$24,685, calculated using the District’s estimated incremental borrowing rate of 5 percent.

Changes in the lease liability for the years ended June 30, 2025 and 2024, were as follows:

	<u>2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>2025</u>	<u>Current Portion</u>	<u>Noncurrent Portion</u>
Lease liability	\$ 19,463	\$ -	\$ (4,724)	\$ 14,739	\$ 4,966	\$ 9,773

	<u>2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>2024</u>	<u>Current Portion</u>	<u>Noncurrent Portion</u>
Lease liability	\$ 23,957	\$ -	\$ (4,494)	\$ 19,463	\$ 4,724	\$ 14,739

Future minimum payments for the length of the lease are as follows:

<u>Leased equipment liability</u>			
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 4,966	\$ 624	\$ 5,590
2027	5,220	370	5,590
2028	4,553	105	4,658
	<u>\$ 14,739</u>	<u>\$ 1,099</u>	<u>\$ 15,838</u>

**NOTE 8 – SUBSCRIPTION LIABILITY**

The District entered into a three-year agreement for a subscription-based accounting and utility billing software package, effective August 2022. The final outflow for the subscription liability consisted of a \$25,175 payment made in July 2024. The subscription asset is being amortized using the straight-line method over the agreement term of three years. An initial subscription asset and liability were recorded in the amount of \$67,017, calculated using the District’s estimated incremental borrowing rate of 5.5 percent. At the end of the initial term, the subscription converts to a year-to-year basis.

Changes in the subscription liability for the years ended June 30, 2025 and 2024, were as follows:

	<u>2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>2025</u>	<u>Current Portion</u>	<u>Noncurrent Portion</u>
Subscription liability	\$ 23,976	\$ -	\$ (23,976)	\$ -	\$ -	\$ -

	<u>2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>2024</u>	<u>Current Portion</u>	<u>Noncurrent Portion</u>
Subscription liability	\$ 45,028	\$ -	\$ (21,052)	\$ 23,976	\$ 23,976	\$ -

**WEST SLOPE WATER DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2025 and 2024

**NOTE 9 – BONDS PAYABLE**

Changes in the District’s bonds payable for the years ended June 30, 2025 and 2024, were as follows:

	<u>2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>2025</u>	<u>Current Portion</u>	<u>Noncurrent Portion</u>
Water Revenue Bonds	\$ 1,320,000	\$ -	\$ (310,000)	\$ 1,010,000	\$ 325,000	\$ 685,000
Bond premiums	8,743	-	(2,385)	6,358	2,384	3,974
	<u>\$ 1,328,743</u>	<u>\$ -</u>	<u>\$ (312,385)</u>	<u>\$ 1,016,358</u>	<u>\$ 327,384</u>	<u>\$ 688,974</u>

	<u>2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>2024</u>	<u>Current Portion</u>	<u>Noncurrent Portion</u>
Water Revenue Bonds	\$ 1,620,000	\$ -	\$ (300,000)	\$ 1,320,000	\$ 310,000	\$ 1,010,000
Bond premiums	11,129	-	(2,386)	8,743	2,384	6,359
	<u>\$ 1,631,129</u>	<u>\$ -</u>	<u>\$ (302,386)</u>	<u>\$ 1,328,743</u>	<u>\$ 312,384</u>	<u>\$ 1,016,359</u>

*Water Revenue Bonds*

The District issued Water Revenue Bonds on February 26, 2008, in the amount of \$5,000,000. The bonds have an interest rate ranging from 3.5 to 4.0 percent and were issued at a premium of \$47,690. The premium is being amortized straight-line over the life of the bonds. The bonds were issued to finance a new 3MG water reservoir which replaced an existing reservoir that was failing. Interest payments are due April 1 and October 1 of each year. Principal payments are due October 1 of each year. The bonds mature during FY 2028 and are insured with Financial Security Assurance Inc. (FSA). The District’s net revenues are pledged to the payment of principal and interest on the bonds.

The District has a current underlying rating from Moody’s of Aa3 reflecting the District’s strong debt service coverage and liquidity levels.

Debt service requirements to maturity are as follows:

<u>Fiscal Year</u>	<u>Revenue Bond</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 325,000	\$ 33,697	\$ 358,697
2027	335,000	20,700	355,700
2028	350,000	7,000	357,000
	1,010,000	<u>\$ 61,397</u>	<u>\$ 1,071,397</u>
Bond premium	6,358		
	<u>\$ 1,016,358</u>		

**NOTE 9 – BONDS PAYABLE (continued)**

*Bond Covenants*

In addition to pledging the District's net revenues to the payment of principal and interest on the bonds, the bonds are subject to certain requirements related to financial reporting, maintaining insurance, maintaining good operational condition of the systems assets, complying with all safety and environmental regulations, restrictions on the sale or transfer of property, and restrictions on the minimum rates charged for water.

The District must establish and maintain rates and fees in connection with the operation of the water system which when combined with other gross revenues, are adequate to generate:

- 1) Net revenues at least equal to 125 percent of the annual debt service due in that fiscal year;
- 2) Net revenues excluding System Development Charge Revenues, at least equal to 115 percent of the annual debt service due in that fiscal year; and
- 3) Net revenues excluding transfers-in from the rate stabilization account, at least equal to 100 percent of the annual debt service due in that fiscal year.

The District met these financial requirements for the years ended June 30, 2025 and 2024.

*Rate Stabilization Reserve Fund*

Effective June 20, 2018, the Board authorized the establishment of a rate stabilization reserve fund as is allowed by the Bond Master Resolution and Official Statement. The rate stabilization account can be used at the discretion of the District to meet the requirements of the rate covenants by transferring funds into the rate stabilization account in years when net revenues generated exceed the required debt service coverage and funds may be transferred out of the rate stabilization account to supplement revenues and smooth rate increases.

The fund was established in response to significant projected future wholesale water rate increases from the City of Portland which were provided to the District in March 2018. Since then, the City has not increased their rates as quickly as first projected. The most recent intention of the District is to continue to hold these funds as needed to assist with the smoothing of customer rate increases in years when higher purchased water costs are incurred. No contributions to this fund have been made since fiscal year 2020. At the end of fiscal year 2025 and 2024, the rate stabilization account had a balance of \$800,000.

**NOTE 10 – NET POSITION**

Components of net position as shown on the *Statement of Net Position* consisted of the following at June 30<sup>th</sup>:

	<u>2025</u>	<u>2024</u>
<b>Net Position</b>		
Net investment in capital assets	\$ 11,881,515	\$ 11,365,277
Restricted for capital projects	12,915	27,741
Unrestricted	<u>7,043,477</u>	<u>5,849,597</u>
<b>Total Net Position</b>	<u>\$ 18,937,907</u>	<u>\$ 17,242,615</u>

**Net Investment in Capital Assets**

Capital and intangible assets		
Nondepreciable assets	\$ 277,736	\$ 156,393
Capital assets, net of depreciation	12,853,357	12,934,519
Lease asset, net of amortization	13,988	18,925
Subscription asset, net of amortization	<u>3,723</u>	<u>26,062</u>
	13,148,804	13,135,899
Less related debt and payables		
Bonds payable	(1,016,358)	(1,328,743)
Lease liability	(14,739)	(19,463)
Subscription liability	-	(23,976)
Accounts payable, capital assets	<u>(236,192)</u>	<u>(398,440)</u>
	<u>(1,267,289)</u>	<u>(1,770,622)</u>
	<u>\$ 11,881,515</u>	<u>\$ 11,365,277</u>

**NOTE 11 – PENSION PLANS**

*Plan Description*

The District contributes to two pension plans administered by the Oregon Public Employees Retirement System (OPERS). The Oregon Public Employees Retirement Fund (Tier One/Tier Two) is a cost-sharing multiple-employer defined benefit plan for qualifying employees hired before August 29, 2003. The Oregon Public Service Retirement Plan (OPSRP) is a hybrid successor plan to Tier One/Tier Two consisting of two programs: a defined benefit pension plan and a defined contribution plan (the Individual Account Program or IAP). The OPSRP pension plan is effective for all new employees hired on or after August 29, 2003, and to inactive employees who return to employment following a six-month or greater break in service.

All benefits of OPERS are established by the Oregon Legislature pursuant to Oregon Revised Statutes (ORS) Chapters 238 and 238A. The Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manager the system.

OPERS produces an independently audited Annual Comprehensive Financial Report which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-ACFR.pdf>

**NOTE 11 – PENSION PLANS (continued)**

*Benefits Provided*

***Tier One/Tier Two Defined Benefit Pension Plan***

*Pension Benefits.* The Tier One/Tier One pension plan provides retirement, disability, benefits, annual cost-of-living adjustments, and death benefits to plan members. The retirement allowance is payable monthly for life. The benefit may be selected from thirteen retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (1.67% for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981), or a money match computation, if a greater benefit results.

Under Senate Bill 1049, passed during the 2019 legislative session, the salary included both for contributions and in the calculation of Final Average Salary, as defined by the plan, will be limited to \$195,000 (as indexed for inflation in future years). Effective January 1, 2025, this limit was increased to \$238,567 per year.

A member is considered vested and will be eligible at a minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five prior calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. General Service employees may retire after reaching age 55. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60. The plans are closed to new members hired on or after August 29, 2003.

Beginning January 1, 2004, PERS active Tier One/Tier Two members became members of the Individual Account Program (IAP) of OPSRP.

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

- the member was employed by a PERS employer at the time of death;
- the member died within 120 days after termination of PERS-covered employment;
- the member died as a result of injury sustained while employed in a PERS-covered job; or
- the member was on an official leave of absence from a PERS-covered job at the time of death.

*Disability Benefits.* A member with ten or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member for a disability benefit regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 when determining the monthly benefit.

*Benefit Changes After Retirement.* Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the fair value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living adjustments (COLA). Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

**NOTE 11 – PENSION PLANS (continued)**

*Benefits Provided (continued)*

***Oregon Public Service Retirement Plan (OPSRP) – Defined Benefit Plan***

Pension Benefits. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated by formula for members who attain normal retirement age. For general service members, a percentage of 1.5 is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

Under Senate Bill 1049, passed during the 2019 legislative session, the salary included both for contributions and in the calculation of Final Average Salary, as defined by the plan, will be limited to \$195,000 (as indexed for inflation in future years). Effective January 1, 2025, this limit was increased to \$238,567 per year.

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

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

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

Benefit Changes After Retirement. Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes (COLA). Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

***Oregon Public Service Retirement Plan (OPSRP) – Individual Account Program (IAP)***

Pension Benefits. The IAP is an individual account-based program under the PERS tax-qualified governmental plan as defined under ORS 238A.400. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established.

Upon retirement, a member of the IAP may receive the amounts in his or her employee account, rollover account, and vested employer optional account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, or 20-year period or an anticipated life span option. Installment amounts vary with market returns as the account remains invested while in distribution. Each distribution option has a \$200 minimum distribution limit.

Death Benefits. Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, the rollover account balance, and the vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Recordkeeping. OPERS contracts with VOYA Financial to maintain IAP participant records.

**NOTE 11 – PENSION PLANS (continued)**

*Contributions*

OPERS funding policy provides for monthly employer contributions at actuarially determined rates applied to covered payroll. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plans and Other Postemployment Benefit Plans.

Employer contribution rates are adjusted every two years. The employer contribution rates for the fiscal year June 30, 2025 and 2024, were based on the December 31, 2021, actuarial valuation. The District's employer contribution rates for the years ended June 30, 2025 and 2024 were 29.60 percent for Tier One/Tier Two and 23.54 percent for OPSRP General Service.

The District's employer contributions for the years ended June 30, 2025 and 2024, were \$186,710 and \$167,695, respectively.

For the OPSRP Individual Account Program (IAP), beginning in January 1, 2004, all covered employees are required by state statute to contribute 6 percent of their annual salary. The employer is allowed to pay any or all of the employee's contribution in addition to the employer's required contribution. The District did not make any optional contributions into any of the employees' IAP accounts for the years ended June 30, 2025 and 2024.

*Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At June 30, 2025 and 2024 respectively, the District reported a liability of \$1,023,489 and \$842,207 for its proportionate share of the State and Local Government Rate Pool (SLGRP), OPERS net pension asset/liability. The June 30, 2025, net pension liability was measured as of June 30, 2024, and determined by an actuarial valuation as of December 31, 2022, rolled forward to June 30, 2024. The District's proportion of the net pension asset/liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2025, the District's proportion was 0.0046%, which is an increase from its proportionate share of 0.0045% at June 30, 2024.

For the years ended June 30, 2025 and 2024, the District recognized pension expense of \$133,322 and \$112,653 respectively.

**WEST SLOPE WATER DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2025 and 2024

---

**NOTE 11 – PENSION PLANS (continued)**

*Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)*

At June 30, 2025, the District reported deferred outflows and inflows of resources related to pensions as follows:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 60,632	\$ 2,443
Changes in assumptions	102,902	132
Net difference between projected and actual earnings on investments	65,020	-
Changes in proportionate share	13,967	108,551
Differences between employer contributions and employer's proportionate share of system contributions	53,725	32,987
Contributions subsequent to measurement date	191,348	-
Total	<u>\$ 487,594</u>	<u>\$ 144,113</u>

At June 30, 2024, the District reported deferred outflows and inflows of resources related to pensions as follows:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 41,186	\$ 3,339
Changes in assumptions	74,817	558
Net difference between projected and actual earnings on investments	15,138	-
Changes in proportionate share	3,344	162,529
Differences between employer contributions and employer's proportionate share of system contributions	24,032	48,617
Contributions subsequent to measurement date	165,337	-
Total	<u>\$ 323,854</u>	<u>\$ 215,043</u>

**NOTE 11 – PENSION PLANS (continued)**

*Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)*

Deferred outflows of resources of \$191,348 related to contributions subsequent to the measurement date included above will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. The amounts other than subsequent contributions reported above as deferred inflows and outflows of resources related to pensions will be recognized in pension expense in the following years:

<b>Fiscal Year Ending June 30</b>	
2026	\$ (36,100)
2027	87,011
2028	50,945
2029	40,395
2030	9,882
Thereafter	-
Total	<u>\$ 152,133</u>

*Actuarial Methods and Assumptions*

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31<sup>st</sup> of even numbered years. The methods and assumptions shown below are based on the 2022 experience study which reviewed experience for the four-year period ending on December 31, 2022.

**NOTE 11 – PENSION PLANS (continued)**

*Actuarial Methods and Assumptions (continued)*

The December 31, 2022, system-wide Actuarial Valuation was used to develop the GASB Statement 67 financial reporting results for the Defined Benefit Pension Plan as of June 30, 2024, using standard roll-forward procedures. Key actuarial methods and assumptions used to measure the total pension liability are shown below:

Valuation Date	December 31, 2022
Measurement Date	June 30, 2024
Experience Study	2022, Published July 24, 2023
Actuarial Assumptions:	
Actuarial cost method	Entry Age Normal
Inflation Rate	2.40%
Long-term expected rate of return	6.90%
Discount rate	6.90%
Projected Salary Increases	3.40%
Cost-of-living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<b>Healthy retirees and beneficiaries:</b>  Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.  <b>Active members:</b> Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. <b>Disabled retirees:</b> Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Source: Table 25, Page 83, OPERS Annual Comprehensive Financial Report for the year ended June 30, 2024.

*Discount Rate*

The discount rate used to measure the total pension liability for the Defined Benefit Pension Plan was 6.9 percent at June 30, 2025 and 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

**NOTE 11 – PENSION PLANS (continued)**

*Sensitivity Of The District’s Proportionate Share Of The Net Pension Liability To Changes In The Discount Rate*

The following presents the District’s proportionate share of the net pension liability as of June 30, 2025 and 2024. Both years utilized a discount rate of 6.9 percent. The table also shows what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.9 percent) or 1-percentage point higher (7.9 percent) than the current rate.

<b>June 30, 2025</b>	<b>1% Decrease 5.9%</b>	<b>Discount Rate 6.9%</b>	<b>1% Increase 7.9%</b>
Proportionate share of the net pension liability	\$ 1,614,512	\$ 1,023,489	\$ 528,478
<b>June 30, 2024</b>	<b>1% Decrease 5.9%</b>	<b>Discount Rate 6.9%</b>	<b>1% Increase 7.9%</b>
Proportionate share of the net pension liability	\$ 1,391,167	\$ 842,207	\$ 382,785

*Long-Term Expected Rate of Return*

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<b>Long-Term Expected Rate of Return (1)</b>				
<b>Asset Class</b>	<b>Target Allocation</b>	<b>Annual Arithmetic Return (2)</b>	<b>20-Year Annualized Geometric</b>	<b>Annual Standard Deviation</b>
Global Equity	27.50 %	8.57 %	7.07 %	17.99 %
Private Equity	25.50	12.89	8.83	30.00
Core Fixed Income	25.00	4.59	4.50	4.22
Real Estate	12.25	6.90	5.83	15.13
Master Limited Partnerships	0.75	9.41	6.02	27.04
Infrastructure	1.50	7.88	6.51	17.11
Hedge Fund of Funds - Multistrategy	1.25	6.81	6.27	9.04
Hedge Fund Equity - Hedge	0.63	7.39	6.48	12.04
Hedge Fund - Macro	5.62	5.44	4.83	7.49
Assumed Inflation - Mean			2.35 %	1.41 %

(1) Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, including revisions adopted at the OIC meeting on January 25, 2023.

(2) The arithmetic mean is a component that goes into calculating the geometric mean. Expected rates of return are presented using the geometric mean, which the Board uses in setting the discount rate.

Source: Table 31, page 88, OPERS Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024.

**NOTE 11 – PENSION PLANS (continued)**

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plan’s fiduciary net position is available in the separately issued PERS financial report at <https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-ACFR.pdf>.

**NOTE 12 – DEFERRED COMPENSATION PLAN**

*Deferred Compensation Plan*

The District has a deferred compensation plan (the Plan) created in accordance with Internal Revenue Code Section 457, as amended. The Plan is administered by the Oregon Savings Growth Plan and VOYA Financial. All District employees are eligible to participate in the Plan. Employees are not required to contribute to the Plan but may elect to do so and are immediately vested in all contributions. Plan contributions and earnings thereon are available to participating employees upon termination, retirement, death, or financial hardship.

The Plan’s contributions and assets are set aside in trust, with the custodial trustee and administrator, for the exclusive benefit of participants and beneficiaries and are not subject to the claims of the District’s creditors, nor can they be used by the District for any purpose other than the payment of benefits to the Plan’s participants.

**NOTE 13 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS**

The District is required by ORS 243.303 to offer retirees group health and dental insurance from the date of retirement until age 65, when the retired employee becomes eligible for federal Medicare coverage. The District provides an implicit rate subsidy for retiree health insurance premiums. The District also contributes to a retirement health insurance account (RHIA) through OPERS.

**Implicit Rate Subsidy**

*Plan Description*

The District provides subsidized health benefits to retirees under age 65, as required by ORS 243.303. Under the plan retirees electing to remain on the District-sponsored health plans may pay all or a portion of the premium to maintain coverage. Even when the District does not directly contribute to the cost of the premium for these retirees, the premium itself does not represent the full cost of covering these retirees. Since they are older than the active population, retirees can be expected to generate higher medical claims and therefore higher premiums for the active population. This additional cost is called the “implicit rate subsidy” and is required to be valued under GASB Statement 75.

The plan does not have a separate report. No assets are accumulated into a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension/OPEB plan.

*Benefits Provided*

**Retirement Eligibility:** To be eligible for health insurance continuation under ORS 243.303, retirees must be receiving benefits from Oregon PERS. The Oregon PERS eligibility requirements to begin receiving retirement benefits for Tier One/Tier Two members are the earlier of age 55, or any age with 30 years of service, for OPSRP members the requirements are age 55 with 5 years of service. This other post-employment benefit (OPEB) applies to all classes of District employees and covers qualified spouses, domestic partners, and children. Employees electing to remain on the District’s sponsored health care plan pay the entire premium to maintain coverage.

**NOTE 13 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)**

**Implicit Rate Subsidy (continued)**

*Benefits Provided (continued)*

The actual monthly health care premium for plan members at June 30, 2025, was:

Single	\$ 972
Employee & Children	1,797
Couple	1,943
Family	2,769

*Employees covered by benefit terms*

The following employees were covered by the benefit terms at June 30, 2025:

Active Employees - 7
Retired Employees Utilizing Coverage - 0
Retired Employees Eligible for Coverage - 0

*Funding Policy*

Retirees pay the entire cost of the premium at blended rates. The District's only contribution is the implicit rate subsidy which continues to be financed on a pay-as-you-go basis. The District's Board of Commissioners and the Oregon State Legislature have the authority to establish or amend the funding policy.

**NOTE 13 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)**

**Implicit Rate Subsidy (continued)**

*Actuarial Assumptions and Other Inputs*

The July 1, 2023, actuarial valuation upon which the June 30, 2025 and 2024, OPEB liability is based, was determined using the following actuarial assumptions and other inputs.

Actuarial Valuation Date	July 1, 2023			
Measurement Dates	June 30, 2024 and June 30, 2025			
Actuarial Cost Method	Entry Age Normal, level percent of salary			
Assumptions:				
Interest Rate for Discounting	4.00% per year, based on all years discounted at municipal bond rate (based on Bond Buyer 20-Bond General Obligation Index as of June 30, 2024)			
Future Liabilities				
General Inflation Rate	2.5% per year			
Payroll Growth	3.5% per year			
Salary Merit Scale	Total payroll increase is overall payroll growth plus merit table below. Sample rates are as follows:			
	<u>Duration</u>	<u>General Service</u>	<u>Duration</u>	<u>General Service</u>
	0	4.77%	20	0.73%
	5	3.10%	25	0.50%
	10	1.93%	30+	0.38%
	15	1.17%		
Annual Premium Increase Rate	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
	2023-24	7.0%	2033-34	5.3%
	2024-25	6.5%	2034-35	5.2%
	2025-26	6.2%	2035-36	5.1%
	2026-27	6.0%	2036-37	5.0%
	2027-28	5.9%	2037-38	4.9%
	2028-29	5.8%	2038-39	4.8%
	2029-30	5.7%	2039-40	4.7%
	2030-31	5.6%	2040-41	4.6%
	2031-32	5.5%	2041+	4.5%
	2032-33	5.4%		

Mortality

**General Service and Beneficiary Table:**

Pub-2010 General Employee tables, separate Employee/Healthy Annuitant, sex distinct, generational, set back 12 months for males, no set back for females.

Mortality rates for active male participants are 115% of the above rates, and for active female participants are 125% of the above rates.

**Improvement Scale:**

Unisex Social Security Data Scale (60 year average), with data through 2019.

**NOTE 13 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)**

**Implicit Rate Subsidy (continued)**

*Changes in the Total OPEB Liability*

The changes in the total OPEB liability for the years ended June 30<sup>th</sup> were as follows:

	<u>2025</u>	<u>2024</u>
Beginning balance	\$ 38,158	\$ 52,644
Changes for the year:		
Service cost	6,765	7,898
Interest	1,751	2,252
Differences between expected and actual experience	-	(6,600)
Changes of assumptions or other input	(7,457)	(17,047)
Benefit payments	(2,303)	(989)
Net changes	<u>(1,244)</u>	<u>(14,486)</u>
Ending balance	<u>\$ 36,914</u>	<u>\$ 38,158</u>

*Sensitivity of the Total OPEB Liability*

The following presents the District's total OPEB liability calculated using the current discount rate of 4 percent, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1 percent lower (3 percent) or 1 percent higher (5 percent) than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption.

<u>Discount Rate</u>	<u>1% Decrease</u> <u>3.0%</u>	<u>4.0%</u>	<u>1% Increase</u> <u>5.0%</u>
Total OPEB Liability	\$ 42,790	\$ 36,914	\$ 31,737
<u>Healthcare Cost Trend</u>	<u>1% Decrease</u> <u>6%, Graded</u> <u>Down to 3.5%</u>	<u>7% Graded</u> <u>Down to 4.5%</u>	<u>1% Increase</u> <u>8%, Graded</u> <u>Down to 5.5%</u>
Total OPEB Liability	\$ 28,749	\$ 36,914	\$ 47,468

**NOTE 13 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)**

**Implicit Rate Subsidy (continued)**

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*

The District’s total OPEB liability was \$36,914 and \$38,158 at June 30, 2025 and 2024, respectively. For the years ended June 30, 2025 and 2024, the District recognized an OPEB credit of \$2,685 and expense of \$941, respectively.

At June 30, 2025, the District reported deferred outflows and inflows of resources from this plan as follows:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Net Deferred Inflows of</b>
Differences between expected and actual experience	\$ -	\$ (37,491)	\$ (37,491)
Changes of assumptions or other input	3,781	(30,243)	(26,462)
	<u>\$ 3,781</u>	<u>\$ (67,734)</u>	<u>\$ (63,953)</u>

At June 30, 2024, the District reported deferred outflows and inflows of resources from this plan as follows:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Net Deferred Inflows of</b>
Differences between expected and actual experience	\$ -	\$ (44,330)	\$ (44,330)
Changes of assumptions or other input	5,007	(26,071)	(21,064)
	<u>\$ 5,007</u>	<u>\$ (70,401)</u>	<u>\$ (65,394)</u>

Amounts reported as deferred outflows (inflows) of resources related to OPEB will be recognized OPEB expense as follows:

<b>Fiscal Year Ending June 30</b>	
2026	\$ (8,898)
2027	(8,898)
2028	(6,931)
2029	(6,931)
2030	(6,931)
Thereafter	(25,364)
	<u>\$ (63,953)</u>

**NOTE 13 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)**

**Retirement Health Insurance Account (RHIA)**

The District's total RHIA OPEB liability and amounts required by GASB 75 are immaterial to the District's financials and therefore are not included in the Financial Statements or the footnotes. A description of the plan and benefits is described below.

*Plan Description*

As a member of Oregon Public Employees Retirement System (PERS), the District contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible Tier One/Tier Two employees. RHIA is a cost-sharing defined benefit multiple-employer other post-employment benefit plan administered by the PERS trust. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provision of RHIA resides with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004.

PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report is available at

<https://www.oregon.gov/pers/EMP/Pages/Actuarial-Financial-Information.aspx>.

*Benefits Provided*

RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. ORS require that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the RHIA established by the employer, and any monthly cost more than \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410.

*Retirement Eligibility*

To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

*Contributions*

RHIA funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due.

As of December 31, 2022, the RHIA program was fully funded. Therefore, the District's rates in effect for the fiscal years ended June 30, 2025 and 2024 were zero percent and the District's contributions in fiscal years ended June 30, 2025 and 2024, were zero.

**NOTE 14 – LAND USE AGREEMENT**

In June 1994, the District transferred property to the Tualatin Hills Park and Recreation District for the purpose of a neighborhood park. If the property is used for any purpose other than a park, the land will revert to the possession of West Slope Water District and cause a sale thereof with all proceeds going directly to the District.

**NOTE 15 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance to minimize its exposure to these risks. Settled claims have not exceeded this commercial coverage in any of the past three years.

**NOTE 16 – INTERGOVERNMENTAL AGREEMENTS**

*City of Portland*

A 20-year Regional Water Sales Agreement with the City of Portland was approved by the Board of Commissioners in April 2006. The agreement provides for a firm supply of water and obligates the District to purchase an average of 1.4 million gallons per day (MGD) each year or pay Portland for water not taken. Water purchase costs are determined annually based on Portland's Water Bureau operating requirements including a return on invested capital and depreciation. The water purchase costs reflect Portland's total cost as allocated to the District and Portland's other customers in proportion to each customer's use of Portland's water system. Wholesale water rates charged by the City were \$1.964 and \$1.892 per CCF (1 CCF equals 748 gallons) for the years ended June 30, 2025 and 2024, respectively.

In February 2024, a new 30-year Water Sales Agreement with the City of Portland was approved by the Board of Commissioners, commencing July 1, 2026, when the current agreement terminates. Under the new agreement, the District will purchase water in the quantity of actual volume of water delivered, with no minimum purchase quantity. The wholesale water rate will be determined annually based on Portland's Water Bureau operating requirements including a return on invested capital and depreciation, similar to the previous agreement. The wholesale water rate reflects Portland's total cost as allocated to the District in proportion to its use of Portland's water system, per the terms of the contract.

*City of Beaverton*

The District and the City of Beaverton have an intergovernmental agreement (IGA) related to the withdrawal of service territory from the District into the City of Beaverton. The City of Beaverton withdrew approximately five percent of the District's service territory in May 2009. The IGA states that the City of Beaverton will provide debt service reimbursement to the District of approximately \$15,000 annually until the year 2028 when the last bond payment is due or a mutually agreed upon lump-sum payment.

In addition, the IGA states the City of Beaverton has agreed to pay the District for a portion of unclaimed water the District would have sold to the withdrawn territory. This is to help offset the expense incurred by the District from the minimum purchase agreement in the District's 20-year Regional Water Sales Agreement with the City of Portland. For the years ended June 30, 2025 and 2024, the amount of debt service reimbursement totaled \$15,535 and \$15,606, respectively, and water reimbursement totaled \$53,407 and \$51,449, respectively.

**NOTE 17 – ADOPTION OF NEW GASB PRONOUNCEMENTS**

The District has evaluated all pronouncements issued through June 2025 with various required dates by June 30, 2025. As determined by management, the District has implemented all new GASB pronouncements that have a material impact to the District's financial statements as of June 30, 2025.

**NOTE 18 – COMMITMENTS AND CONTINGENCIES**

As of June 30, 2025, the District has contract commitments of approximately \$859,000 for construction related to a pipe replacement project. The District plans to finance these projects using existing resources.

The District, in the regular course of business, is involved in various legal matters. However, management along with legal counsel has determined that the likely outcome of these matters will not have a significant adverse effect on the District's financial position.

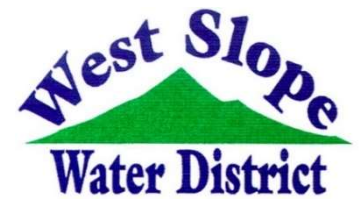
**NOTE 19 – CONCENTRATION OF RISK**

The District purchases 100% of its wholesale water supply from the City of Portland under a long-term wholesale water agreement (see Note 16). Because the District is entirely dependent on this source, an interruption in the City of Portland's ability to deliver water could have a severe impact on the District's operations and its ability to provide service to customers. Management considers the likelihood of such an interruption to be remote, except in the event of a significant natural disaster or other unforeseen catastrophic event.

To mitigate this risk, the District maintains an emergency intertie with Tualatin Valley Water District that can provide a supplemental water supply in the event of a short-term disruption.

**NOTE 20 – RECLASSIFICATIONS**

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net position.



**REQUIRED  
SUPPLEMENTAL  
INFORMATION**

**WEST SLOPE WATER DISTRICT**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET) LIABILITY  
OREGON PUBLIC EMPLOYEES' RETIREMENT SYSTEM (OPERS)**

Last Ten Years

Fiscal Year Ended June 30	District's proportion of the net pension (asset) liability	District's proportionate share of the net pension (asset) liability	District's covered payroll (1)	District's Proportionate share of the net pension (asset) liability as a percentage of its covered	Plan fiduciary net position as a percentage of the total pension (asset) liability
2025	0.0046 %	\$ 1,023,489	\$ 563,940	181.49 %	79.3 %
2024	0.0045	842,207	684,572	123.03	81.7
2023	0.0048	728,865	544,734	133.80	84.5
2022	0.0055	655,861	604,497	108.50	87.6
2021	0.0061	1,329,410	514,975	258.15	75.8
2020	0.0063	1,087,160	553,431	196.44	80.2
2019	0.0055	840,357	519,845	161.66	82.1
2018	0.0048	652,438	502,837	129.75	83.1
2017	0.0073	1,088,476	425,820	255.62	80.5
2016	0.0079	451,442	549,701	82.13	91.9

See notes to the schedule on next page.

Source: Oregon PERS actuarial reports and District data  
(1) As of the measurement date, which is one year in arrears.

## WEST SLOPE WATER DISTRICT

### SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET) LIABILITY OREGON PUBLIC EMPLOYEES' RETIREMENT SYSTEM (OPERS)

Last Ten Years

---

#### Notes to the Schedule

##### *Changes in Benefit Terms:*

The 2013 Oregon Legislature made a series of changes to PERS that lowered projected future benefit payments from the System. These changes included reductions to future Cost of Living Adjustments (COLA) made through Senate Bills 822 and 861. Senate Bill 822 also required the contribution rates scheduled to be in effect from July 2013 to June 2015 to be reduced. The Oregon Supreme Court decision in *Moro v. State of Oregon*, issued on April 30, 2015, reversed a significant portion of the reductions the 2013 Oregon Legislature made to future System Cost of Living Adjustments (COLA) through Senate Bills 822 and 861. This reversal increased the total pension liability as of June 30, 2015 compared to June 30, 2014 total pension liability.

A legislative change that occurred after the December 31, 2017, valuation date affected the plan provisions reflected for financial reporting purposes. Senate Bill 1049, signed into law in June 2019, introduced a limit on the amount of annual salary included for the calculation of benefits. Beginning in 2020, annual salary in excess of \$195,000 (as indexed in future years) will be excluded when determining member benefits. As a result, future Tier one/Tier Two and OPSRP benefits for certain active members are now projected to be lower than prior to the legislation. Senate Bill 1049 was reflected in the June 30, 2019, Total Pension Liability as a reduction in liability.

##### *Changes in Assumptions:*

The PERS Board adopted changes in assumptions that were used to measure the total pension liability as follows:

For June 30, 2022, the Board lowered the long-term expected rate of return to 6.90 percent and lowered the assumed inflation rate to 2.40 percent and the projected salary increases to 3.40 percent.

For June 30, 2018, the Board lowered the long-term expected rate of return to 7.20 percent.

For June 30, 2016, the Board lowered the long-term expected rate of return to 7.50 percent and lowered the assumed inflation rate to 2.50 percent. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave, and vacation pay.

**WEST SLOPE WATER DISTRICT**  
**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS**  
**OREGON PUBLIC EMPLOYEES' RETIREMENT SYSTEM (OPERS)**  
**Last Ten Years**

---

<u>Fiscal Year Ended June 30</u>	<u>Contractually required contributions</u>	<u>Contributions in relation to contractually required contributions</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
2025	\$ 186,710	\$ (186,710)	\$ -	\$ 741,961	25.2 %
2024	167,695	(167,695)	-	684,572	24.5
2023	126,671	(126,671)	-	563,940	22.5
2022	120,128	(120,128)	-	544,734	22.1
2021	147,315	(147,315)	-	604,497	24.4
2020	124,996	(124,996)	-	514,975	24.3
2019	108,924	(108,924)	-	553,431	19.7
2018	100,095	(100,095)	-	519,845	19.3
2017	74,891	(74,891)	-	502,837	14.9
2016	66,170	(66,170)	-	425,820	15.5

**WEST SLOPE WATER DISTRICT**  
**SCHEDULE OF CHANGES IN TOTAL LIABILITY AND RELATED RATIOS**  
**OTHER POST EMPLOYMENT BENEFITS (OPEB)**  
**Last Eight Years\*\***

**Other Post Employment Benefits**  
*Retiree Medical Benefit Implicit Rate Subsidy (1)*

Fiscal Year Ended June 30	Total OPEB liability: beginning balance	Service costs	Interest	Changes of assumptions	Difference between expected and actual experience	Benefit payments	Net change in total OPEB liability	Total OPEB liability: ending balance	Covered employee payroll	Total OPEB liability as a percentage of covered employee payroll
2025	\$ 38,158	\$ 6,765	\$ 1,751	\$ (7,457)	\$ -	\$ (2,303)	\$ (1,244)	\$ 36,914	\$ 714,076	5.2 %
2024	52,644	7,898	2,252	(17,047)	(6,600)	(989)	(14,486)	38,158	676,849	5.6
2023	55,448	10,160	1,457	(12,688)	-	(1,733)	(2,804)	52,644	509,642	10.3
2022	83,672	6,372	2,469	2,671	(39,231)	(505)	(28,224)	55,448	494,798	11.2
2021	77,703	6,157	2,272	-	-	(2,460)	5,969	83,672	608,580	13.7
2020	85,511	5,873	3,179	8,020	(23,756)	(1,124)	(7,808)	77,703	590,706	13.2
2019	78,141	5,730	2,815	-	-	(1,175)	7,370	85,511	568,020	15.1
2018	70,038	5,730	2,549	-	-	(176)	8,103	78,141	552,766	14.1

**Notes to the Schedule**

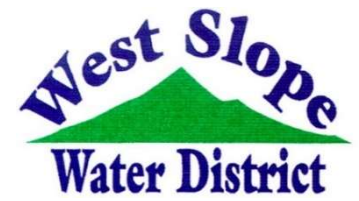
No assets for this plan are accumulated into a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension/OPEB plan.

The District funds the plan on a pay as you go basis.

\*\*10-year trend information will be presented prospectively.

(1) Actuarial data provided by the firm Independent Actuaries, Inc.

**Intentionally Left Blank**



**OTHER  
SUPPLEMENTARY  
INFORMATION**

### **Description of Budgetary Funds**

For financial reporting purposes, management considers the District’s activities as those of a unitary enterprise operation and, as such, is reported in a single fund in the basic financial statements. However, for budgetary and legal purposes these activities are accounted for in the funds described below. Schedules for these funds, prepared on a budgetary basis, generally on the modified accrual basis of accounting, are shown on the following pages.

The reconciliation of budgetary basis to financial reporting basis shows the reconciling items between the budgetary basis net change in fund balance to the financial statement basis change in net position as shown on the *Statement of Revenues, Expenses, and Changes in Net Position* in the Basic Financial Statements.

#### *General Fund*

This fund is the primary operating fund for and accounts for most of the financial resources and expenditures of the District, unless required to be accounted for in another fund. The fund’s primary source of revenue is water sales and fees.

#### *Rate Stabilization Reserve Fund*

This fund accounts for monies accumulated for the purpose of assisting with meeting bond debt covenants while smoothing rate spikes. The fund is solely supported by operating transfers from the General Fund.

#### *Equipment Reserve Fund*

This fund sets aside and uses resources specifically for the future purchase and replacement of the District’s infrastructure. The fund is primarily supported by operating transfers from the General Fund.

#### *Capital Improvement Reserve Fund*

This fund sets aside and uses resources specifically for the future capital improvement and replacement of the District’s infrastructure. The fund is primarily supported by operating transfers from the General Fund.

#### *System Development Charge Fund*

This fund accounts for the resources designated for water distribution system extensions and improvements that expand the capacity of the water system. The principal source of revenue is system development charges collected for all new meter connections or meter size upgrades. Funds are restricted by law to be used for capital improvement projects or debt service on past capital improvement projects. As resources are available, bond interest payments are made from this fund.

**WEST SLOPE WATER DISTRICT****RECONCILIATION OF REVENUES AND EXPENDITURES (BUDGETARY BASIS)  
TO THE STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION  
For the Fiscal Year Ended June 30, 2025**

	<u>Total Revenues</u>	<u>Total Expenditures</u>	<u>Net</u>
<b>BUDGETARY BASIS</b>			
General Fund	\$ 5,223,167	\$ 3,458,209	\$ 1,764,958
Equipment Reserve Fund	23,556	70,678	(47,122)
Capital Improvement Reserve Fund	212,488	627,513	(415,025)
System Development Charge Fund	5,171	19,997	(14,826)
	<u>\$ 5,464,382</u>	<u>\$ 4,176,397</u>	1,287,985
<b>ADD (DEDUCT) ITEMS TO RECONCILE TO GAAP BASIS</b>			
Bond payments			310,000
Capital outlay			524,910
Depreciation and amortization			(516,155)
Payments on lease and subscription liabilities			28,700
Change in accrued bond interest payable			3,002
Bond premium amortization			2,385
Change in net OPEB obligation			1,244
Change in deferred inflows/outflows of resources			236,111
Gain on disposition of assets			29,837
Proceeds on sale of assets			(31,445)
Change in net pension liability/asset			(181,282)
<b>CHANGE IN NET POSITION</b>			<u>\$ 1,695,292</u>

**WEST SLOPE WATER DISTRICT**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE

BUDGET AND ACTUAL (BUDGETARY BASIS)

GENERAL FUND

For the Fiscal Year Ended June 30, 2025

	Budget Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Sale of Water	\$ 5,169,000	\$ 5,169,000	\$ 5,054,274	\$ (114,726)
Miscellaneous	99,000	99,000	106,520	7,520
Interest	50,000	50,000	62,373	12,373
<i>Total Revenues</i>	<u>5,318,000</u>	<u>5,318,000</u>	<u>5,223,167</u>	<u>(94,833)</u>
<b>EXPENDITURES</b>				
Personnel services	1,253,000	1,253,000	1,224,493	28,507
Materials and services	1,954,000	1,954,000	1,897,716	56,284
Debt service				
Principal	310,000	310,000	310,000	-
Interest	26,000	26,000	26,000	-
Contingency	481,000	481,000	-	481,000
<i>Total Expenditures</i>	<u>4,024,000</u>	<u>4,024,000</u>	<u>3,458,209</u>	<u>565,791</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,294,000</u>	<u>1,294,000</u>	<u>1,764,958</u>	<u>470,958</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(1,970,000)	(1,970,000)	(1,970,000)	-
<b>NET CHANGE IN FUND BALANCE</b>	<u>(676,000)</u>	<u>(676,000)</u>	<u>(205,042)</u>	<u>470,958</u>
<b>FUND BALANCE, Beginning of year</b>	<u>1,376,000</u>	<u>1,376,000</u>	<u>1,271,373</u>	<u>(104,627)</u>
<b>FUND BALANCE, End of year</b>	<u>\$ 700,000</u>	<u>\$ 700,000</u>	<u>\$ 1,066,331</u>	<u>\$ 366,331</u>

**WEST SLOPE WATER DISTRICT**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE

BUDGET AND ACTUAL (BUDGETARY BASIS)

RATE STABILIZATION RESERVE FUND

For the Fiscal Year Ended June 30, 2025

---

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	\$ -	\$ -	\$ -	\$ -
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
<b>FUND BALANCE, Beginning of year</b>	800,000	800,000	800,000	-
<b>FUND BALANCE, End of year</b>	<u>\$ 800,000</u>	<u>\$ 800,000</u>	<u>\$ 800,000</u>	<u>\$ -</u>

**WEST SLOPE WATER DISTRICT**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE

BUDGET AND ACTUAL (BUDGETARY BASIS)

EQUIPMENT RESERVE FUND

For the Fiscal Year Ended June 30, 2025

---

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Interest	\$ 23,000	\$ 23,000	\$ 23,556	\$ 556
<b>EXPENDITURES</b>				
Capital outlay	125,000	125,000	70,678	54,322
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(102,000)	(102,000)	(47,122)	54,878
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	120,000	120,000	120,000	-
<b>NET CHANGE IN FUND BALANCE</b>	18,000	18,000	72,878	54,878
<b>FUND BALANCE, Beginning of year</b>	442,000	442,000	439,401	(2,599)
<b>FUND BALANCE, End of year</b>	<u>\$ 460,000</u>	<u>\$ 460,000</u>	<u>\$ 512,279</u>	<u>\$ 52,279</u>

**WEST SLOPE WATER DISTRICT**

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE

## BUDGET AND ACTUAL (BUDGETARY BASIS)

## CAPITAL IMPROVEMENT RESERVE FUND

For the Fiscal Year Ended June 30, 2025

	Budget Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Interest	\$ 200,000	\$ 200,000	\$ 212,488	\$ 12,488
<b>EXPENDITURES</b>				
Capital outlay	1,700,000	1,700,000	627,513	1,072,487
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(1,500,000)	(1,500,000)	(415,025)	1,084,975
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,850,000	1,850,000	1,850,000	-
<b>NET CHANGE IN FUND BALANCE</b>	350,000	350,000	1,434,975	1,084,975
<b>FUND BALANCE, Beginning of year</b>	3,901,000	3,901,000	3,827,733	(73,267)
<b>FUND BALANCE, End of year</b>	<u>\$4,251,000</u>	<u>\$4,251,000</u>	<u>\$ 5,262,708</u>	<u>\$ 1,011,708</u>

**WEST SLOPE WATER DISTRICT**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE

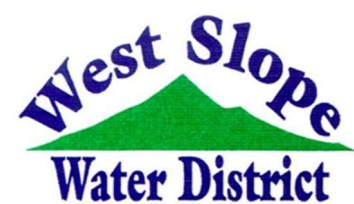
BUDGET AND ACTUAL (BUDGETARY BASIS)

SYSTEM DEVELOPMENT CHARGE FUND

For the Fiscal Year Ended June 30, 2025

---

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
System development charges	\$ 10,000	\$ 10,000	\$ 4,014	\$ (5,986)
Interest	-	-	1,157	1,157
<i>Total Revenues</i>	10,000	10,000	5,171	(4,829)
<b>EXPENDITURES</b>				
Debt service				
Interest	20,000	20,000	19,997	3
<b>NET CHANGE IN FUND BALANCE</b>	(10,000)	(10,000)	(14,826)	(4,826)
<b>FUND BALANCE, Beginning of year</b>	22,000	22,000	27,741	5,741
<b>FUND BALANCE, End of year</b>	\$ 12,000	\$ 12,000	\$ 12,915	\$ 915



## **STATISTICAL SECTION**

This section of the West Slope Water District’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District’s overall financial health.

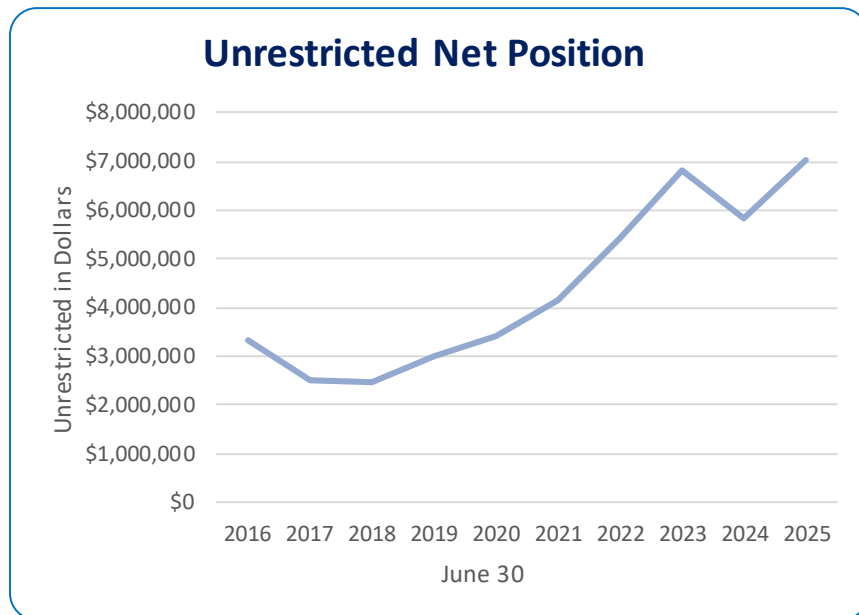
**CONTENTS**

	<u>Page</u>
<b>Financial Trends</b>	75
These schedules contain trend information to help the reader understand how the District’s financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	81
These schedules contain information to help the reader assess the District’s most significant local revenue source, sale of water.	
<b>Debt Capacity</b>	86
These schedules present information to help the reader assess the affordability of the District’s current levels of outstanding debt and its ability to issue additional debt in the future.	
<b>Demographic Information</b>	88
These schedules offer demographic information to help the reader understand the environment within which the District’s financial activities take place.	
<b>Operating Information</b>	90
These schedules contain service and infrastructure data to help the reader understand how the information in the District’s financial report relates to services provided and activities performed.	

**Sources:** Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

**WEST SLOPE WATER DISTRICT**  
**NET POSITION BY COMPONENT**  
 Last Ten Years

<b>As of June 30</b>	<b>Net Investment in Capital Assets</b>	<b>Restricted</b>	<b>Unrestricted</b>	<b>Total Net Position</b>
2025	\$ 11,881,515	\$ 12,915	\$ 7,043,477	\$ 18,937,907
2024	11,365,277	27,741	5,849,597	17,242,615
2023	8,626,920	16,907	6,835,558	15,479,385
2022	7,984,304	27,903	5,413,996	13,426,203
2021	7,934,982	54,753	4,142,834	12,132,569
2020	7,825,088	30,789	3,428,758	11,284,635
2019	7,872,710	14,392	3,014,569	10,901,671
2018	7,548,389	3,250	2,472,570	10,024,209
2017	7,099,958	53,252	2,487,631	9,640,841
2016	5,863,471	110,512	3,312,080	9,286,063



**WEST SLOPE WATER DISTRICT**

## CHANGE IN NET POSITION (Page 1 of 2)

Last Ten Years

	Fiscal Year Ended June 30			
	2025	2024	2023	2022
<b>OPERATING REVENUES:</b>				
Sale of Water	\$ 5,054,274	\$ 4,782,873	\$ 4,588,104	\$ 3,923,266
Service installations and modifications	8,055	7,229	3,818	11,732
Miscellaneous	95,520	97,205	88,952	80,366
Total operating revenues	5,157,849	4,887,307	4,680,874	4,015,364
<b>OPERATING EXPENSES:</b>				
Water purchased	1,342,551	1,296,906	1,005,579	1,053,177
Personnel services	1,168,420	1,077,144	857,942	819,111
Maintenance and repairs	192,408	241,043	176,383	145,439
General and administrative	331,989	314,281	286,336	232,720
Master plan and rate study	201,781	-	-	-
Depreciation and amortization	516,155	457,989	435,370	414,347
Total operating expenses	3,753,304	3,387,363	2,761,610	2,664,794
Operating income (loss)	1,404,545	1,499,944	1,919,264	1,350,570
<b>NON-OPERATING REVENUES (EXPENSES):</b>				
Interest income	299,574	311,133	184,699	27,619
Interest expense	(42,678)	(56,006)	(63,795)	(74,302)
Gain (Loss) on disposal of asset	29,837	(1,689)	(6,864)	(20,210)
Total non-operating revenues (expenses)	286,733	253,438	114,040	(66,893)
<b>CAPITAL CONTRIBUTIONS:</b>				
SDC	4,014	9,848	19,878	9,957
Donated Infrastructure	-	-	-	-
Change in net position	1,695,292	1,763,230	2,053,182	1,293,634
<b>NET POSITION, BEGINNING</b>	17,242,615	15,479,385	13,426,203	12,132,569
<b>NET POSITION, ENDING</b>	<u>\$18,937,907</u>	<u>\$17,242,615</u>	<u>\$15,479,385</u>	<u>\$13,426,203</u>

**WEST SLOPE WATER DISTRICT**

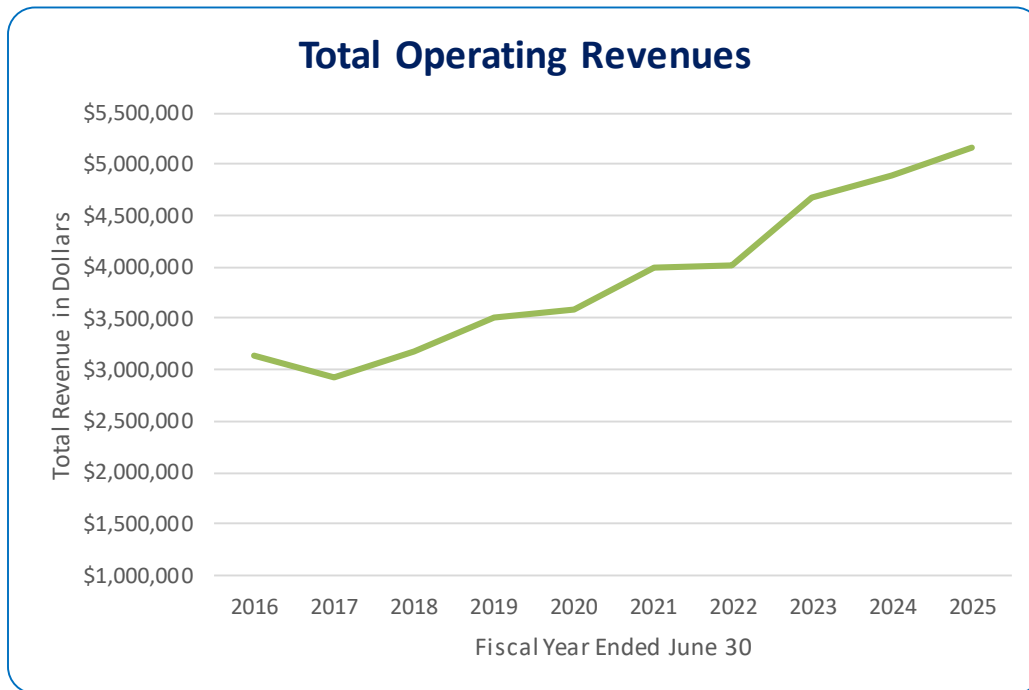
CHANGE IN NET POSITION (continued page 2 of 2)

Last Ten Years

<b>Fiscal Year Ended June 30</b>					
<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
\$ 3,901,044	\$ 3,515,801	\$ 3,428,519	\$ 3,101,349	\$ 2,873,040	\$ 3,097,839
13,671	7,359	4,249	8,822	5,568	16,657
71,990	66,887	72,307	61,888	42,798	23,755
<u>3,986,705</u>	<u>3,590,047</u>	<u>3,505,075</u>	<u>3,172,059</u>	<u>2,921,406</u>	<u>3,138,251</u>
1,220,019	1,359,983	1,222,219	1,222,744	962,458	927,791
1,094,844	1,054,065	919,143	840,609	863,385	1,140,006
143,167	122,040	168,450	108,908	129,970	118,417
207,363	264,819	224,312	186,389	173,363	168,700
-	-	-	-	-	-
405,831	404,775	400,304	367,989	337,117	345,390
<u>3,071,224</u>	<u>3,205,682</u>	<u>2,934,428</u>	<u>2,726,639</u>	<u>2,466,293</u>	<u>2,700,304</u>
915,481	384,365	570,647	445,420	455,113	437,947
29,613	71,661	69,215	46,827	33,164	17,852
(84,431)	(88,579)	(117,212)	(126,254)	(136,187)	(145,608)
(36,401)	-	5,441	12,000	-	-
<u>(91,219)</u>	<u>(16,918)</u>	<u>(42,556)</u>	<u>(67,427)</u>	<u>(103,023)</u>	<u>(127,756)</u>
23,672	15,517	11,371	5,375	2,688	17,908
-	-	338,000	-	-	-
<u>847,934</u>	<u>382,964</u>	<u>877,462</u>	<u>383,368</u>	<u>354,778</u>	<u>328,099</u>
11,284,635	10,901,671	10,024,209	9,640,841	9,286,063	8,957,964
<u>\$12,132,569</u>	<u>\$11,284,635</u>	<u>\$10,901,671</u>	<u>\$10,024,209</u>	<u>\$ 9,640,841</u>	<u>\$ 9,286,063</u>

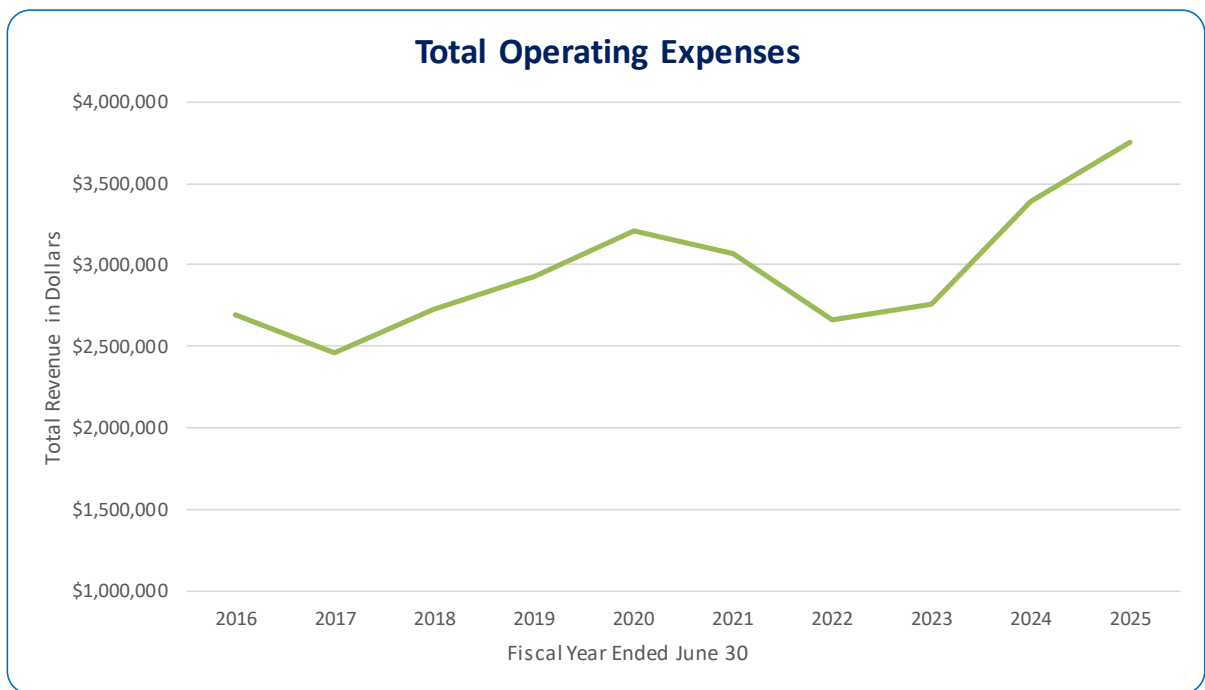
**WEST SLOPE WATER DISTRICT**  
**OPERATING REVENUES**  
 Last Ten Years

<b>Fiscal Year Ended June 30</b>	<b>Sale of Water</b>	<b>Service Installation</b>	<b>Miscellaneous</b>	<b>Total Operating Revenues</b>
2025	\$ 5,054,274	\$ 8,055	\$ 95,520	\$ 5,157,849
2024	4,782,873	7,229	97,205	4,887,307
2023	4,588,104	3,818	88,952	4,680,874
2022	3,923,266	11,732	80,366	4,015,364
2021	3,901,044	13,671	71,990	3,986,705
2020	3,515,801	7,359	66,887	3,590,047
2019	3,428,519	4,249	72,307	3,505,075
2018	3,101,349	8,822	61,888	3,172,059
2017	2,873,040	5,568	42,798	2,921,406
2016	3,097,839	16,657	23,755	3,138,251



**WEST SLOPE WATER DISTRICT**  
**OPERATING EXPENSES**  
 Last Ten Years

<b>Fiscal Year Ended June 30</b>	<b>Water Purchased</b>	<b>Personnel Services</b>	<b>Maintenance and Repairs</b>	<b>General and Administrative</b>	<b>Master Plan and Rate Study</b>	<b>Depreciation and Amortization</b>	<b>Total Operating Expenses</b>
2025	\$ 1,342,551	\$ 1,168,420	\$ 192,408	\$ 331,989	\$ 201,781	\$ 516,155	\$ 3,753,304
2024	1,296,906	1,077,144	241,043	314,281	-	457,989	3,387,363
2023	1,005,579	857,942	176,383	286,336	-	435,370	2,761,610
2022	1,053,177	819,111	145,439	232,720	-	414,347	2,664,794
2021	1,220,019	1,094,844	143,167	207,363	-	405,831	3,071,224
2020	1,359,983	1,054,065	122,040	264,819	-	404,775	3,205,682
2019	1,222,219	919,143	168,450	224,312	-	400,304	2,934,428
2018	1,222,744	840,609	108,908	186,389	-	367,989	2,726,639
2017	962,458	863,385	129,970	173,363	-	337,117	2,466,293
2016	927,791	1,140,006	118,417	168,700	-	345,390	2,700,304



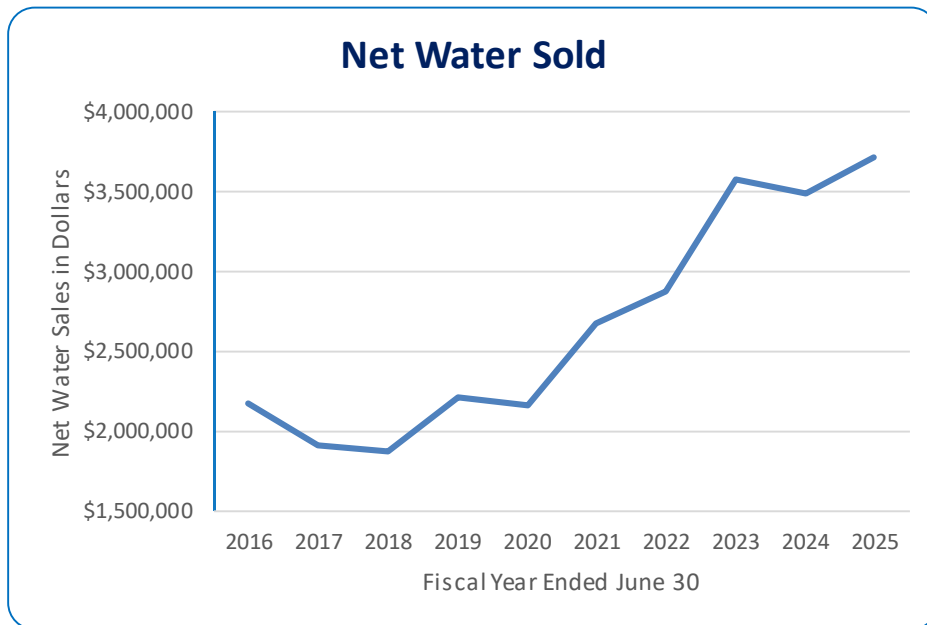
**WEST SLOPE WATER DISTRICT**  
**NON-OPERATING REVENUES (EXPENSES)**  
 Last Ten Years

---

<b>Fiscal Year Ended June 30</b>	<b>Interest Income</b>	<b>Interest Expense</b>	<b>Gain (Loss) on Disposal of Assets</b>	<b>Total Non- Operating Income (Expense)</b>
2025	\$ 299,574	\$ (42,678)	\$ 29,837	\$ 286,733
2024	311,133	(56,006)	(1,689)	253,438
2023	184,699	(63,795)	(6,864)	114,040
2022	27,619	(74,302)	(20,210)	(66,893)
2021	29,613	(84,431)	(36,401)	(91,219)
2020	71,661	(88,579)	-	(16,918)
2019	69,215	(117,212)	5,441	(42,556)
2018	46,827	(126,254)	12,000	(67,427)
2017	33,164	(136,187)	-	(103,023)
2016	17,852	(145,608)	-	(127,756)

**WEST SLOPE WATER DISTRICT**  
**SCHEDULE OF WATER SOLD AND PURCHASED**  
 Last Ten Years

<b>Fiscal Year Ended June 30</b>	<b>Water Sold</b>	<b>Water Purchased</b>	<b>Water Purchased as a Percent of Sales</b>	<b>Net Water Sold</b>	<b>Net as a Percent of Water Sold</b>
2025	\$ 5,054,274	\$ 1,342,551	26.56 %	\$ 3,711,723	73.44 %
2024	4,782,873	1,296,906	27.12	3,485,967	72.88
2023	4,588,104	1,005,579	21.92	3,582,525	78.08
2022	3,923,266	1,053,177	26.84	2,870,089	73.16
2021	3,901,044	1,220,019	31.27	2,681,025	68.73
2020	3,515,801	1,359,983	38.68	2,155,818	61.32
2019	3,428,519	1,222,219	35.65	2,206,300	64.35
2018	3,101,349	1,222,744	39.43	1,878,605	60.57
2017	2,873,040	962,458	33.50	1,910,582	66.50
2016	3,097,839	927,791	29.95	2,170,048	70.05



**WEST SLOPE WATER DISTRICT**  
**HISTORY OF WATER RATES**  
 Last Ten Years

---

		<b>Historical Rates</b>						
<b>Date of Rate Change</b>	<b>Consumption Charge by CCF</b>	<b>Fixed Charge by Meter Size</b>						
		<b>3/4"</b>	<b>1"</b>	<b>1-1/2"</b>	<b>2"</b>	<b>3"</b>	<b>4"</b>	<b>6"</b>
6/27/2024	\$ 7.61	\$ 21.14	\$ 35.94	\$ 59.01	\$ 90.38	\$196.57	\$297.19	\$545.79
6/22/2023	7.18	20.52	34.89	57.29	87.75	190.84	288.53	529.89
6/16/2022	6.30	19.83	33.71	55.35	84.78	184.39	278.77	511.97
6/17/2021	5.73	18.71	31.80	52.22	79.98	173.95	262.99	482.99
9/19/2019	5.41	17.65	30.00	49.26	75.45	164.10	248.10	455.65
9/30/2018	4.83	15.76	26.79	43.98	67.37	146.52	221.52	406.83

\*\*No rate increase in 2016, 2017, and 2020.

Conversions: 748 gallons equals one CCF

Source: West Slope Water District Utility Billing Records

**WEST SLOPE WATER DISTRICT**  
**WATER BILLED BY CUSTOMER CLASS**  
 Last Ten Years

Fiscal Year Ended	Water Billed in CCF *							
	Residential		Multifamily		Commercial		Total	
2025	316,138	61.5 %	80,977	15.8 %	116,949	22.7 %	514,064	100 %
2024	345,123	66.7	66,053	12.8	105,978	20.5	517,154	100
2023	363,621	65.8	73,082	13.2	116,230	21.0	552,933	100
2022	338,564	65.4	71,482	13.8	107,363	20.8	517,409	100
2021	356,272	66.6	75,366	14.1	103,591	19.4	535,229	100
2020	311,407	63.6	73,881	15.1	104,625	21.4	489,913	100
2019	348,622	63.6	74,103	13.5	125,204	22.9	547,929	100
2018	341,504	63.9	73,977	13.8	119,361	22.3	534,842	100
2017	310,812	62.3	73,688	14.8	114,268	22.9	498,768	100
2016	352,595	64.8	72,771	13.4	119,177	21.9	544,543	100

Fiscal Year Ended	Customer Accounts Billed							
	Residential		Multifamily		Commercial		Total	
2025	3,208	91.1 %	68	1.9 %	247	7.0 %	3,523	100 %
2024	3,218	91.7	49	1.4	241	6.9	3,508	100
2023	3,215	91.8	48	1.4	241	6.9	3,504	100
2022	3,267	91.9	51	1.4	237	6.7	3,555	100
2021	3,240	91.7	49	1.4	244	6.9	3,533	100
2020	3,200	91.7	48	1.4	241	6.9	3,489	100
2019	3,211	91.6	50	1.4	245	7.0	3,506	100
2018	3,231	91.7	51	1.4	241	6.8	3,523	100
2017	3,243	91.7	48	1.4	246	7.0	3,537	100
2016	3,274	91.6	48	1.3	254	7.1	3,576	100

\* 1 CCF (Hundred Cubic Feet) = 748 Gallons  
 Source: West Slope Water District Utility Billing Records

**WEST SLOPE WATER DISTRICT**  
**CAPITAL CONTRIBUTIONS BY SOURCE**  
**HISTORY OF SDC RATES**  
 Last Ten Years

Fiscal Year Ended June 30	System Development Charges (SDC)	Donated Infrastructure	Total Capital Contributions	New or Upgraded Meters Installed by Size				
				3/4"	1"	1 1/2"	2"	Total
2025	\$ 4,014	\$ -	\$ 4,014	1	1	0	0	2
2024	9,848	-	9,848	3	1	0	0	4
2023	19,878	-	19,878	11	0	0	0	11
2022	9,957	-	9,957	3	2	0	0	5
2021	23,672	-	23,672	5	5	0	0	10
2020	15,517	-	15,517	7	2	0	0	9
2019	11,371	338,000	349,371	2	1	1	0	4
2018	5,375	-	5,375	4	0	0	0	4
2017	2,688	-	2,688	2	0	0	0	2
2016	17,908	-	17,908	6	0	1	1	7

**Historical SDC Rates**

Date of Rate Change	Charge by Meter Size						
	3/4"	1"	1-1/2"	2"	3"	4"	6"
4/1/2025	\$ 2,037	\$ 4,072	\$ 10,098	\$ 16,290	\$ 32,579	\$ 50,905	\$ 101,811
4/1/2024	1,979	3,957	9,812	15,829	31,657	49,465	98,929
4/1/2023	1,956	3,910	9,697	15,643	31,285	48,884	97,768
4/1/2022	1,774	3,546	8,794	14,186	28,372	44,331	86,663
4/1/2021	1,660	3,319	8,299	13,279	26,558	41,497	82,994
10/1/2020	1,567	3,132	7,832	12,532	25,062	39,161	78,323
4/1/2019	1,552	3,103	7,758	12,414	24,827	38,793	77,586
12/1/2015	1,344	2,687	6,718	10,749	21,498	33,591	67,182

\*\* No rate increase in 2016, 2017, and 2018.

In 2015, the District hired a financial consultant to update the District's SDC rates. As a result of the findings, a new SDC rate with an effective date of 12/1/2015 was adopted by the Board.

Source: West Slope Water District Utility Billing Records

**WEST SLOPE WATER DISTRICT****SALE OF WATER, WRITE-OFFS, AND ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS**Last Ten Years

---

<b>Fiscal Year Ended June 30</b>	<b>Sale of Water</b>	<b>Write Offs</b>	<b>Write Offs as a percentage of Sales</b>	<b>Accounts Receivable Balance at June 30</b>	<b>Allowance for Uncollectible Accounts</b>	<b>Allowance as a percentage of Accounts Receivable</b>
2025	\$ 5,054,274	\$ 656	0.013 %	\$ 692,653	\$ 7,000	1.011 %
2024	4,782,873	934	0.020	665,192	7,000	1.052
2023	4,588,104	1,746	0.038	628,532	7,000	1.114
2022	3,923,266	1,525	0.039	428,831	7,000	1.632
2021	3,901,044	705	0.018	514,365	5,000	0.972
2020	3,515,801	-	-	465,208	10,000	2.150
2019	3,428,519	-	-	521,110	-	-
2018	3,101,349	-	-	460,801	-	-
2017	2,873,040	-	-	379,019	-	-
2016	3,097,839	1,908	0.062	399,315	-	-

**WEST SLOPE WATER DISTRICT**  
**REVENUE BOND DEBT COVERAGE**  
Last Ten Years

Fiscal Year Ended June 30	Income & Revenue*	Operating Expense**	Net Available	SDC Revenue	Revenue Bond Debt Service			Coverage Ratios	
					Principal	Interest	Total	With SDC	Without SDC
<i>Required ratio of net revenue to debt service as per the District's bond resolution:</i>								1.25	1.15
2025	\$ 5,441,888	\$ 3,237,149	\$ 2,204,739	\$ 4,014	\$ 310,000	\$ 40,613	\$ 350,613	6.300	6.288
2024	5,182,834	2,929,374	2,253,460	9,848	300,000	52,434	352,434	6.422	6.394
2023	4,849,921	2,326,240	2,523,681	19,878	290,000	63,591	353,591	7.194	7.137
2022	4,027,307	2,250,447	1,776,860	9,957	280,000	74,302	354,302	5.043	5.015
2021	4,000,640	2,665,393	1,335,247	23,672	270,000	84,431	354,431	3.834	3.767
2020	3,246,053	2,800,907	445,146	15,517	260,000	94,097	354,097	1.301	1.257
2019	3,355,442	2,534,124	821,318	11,371	250,000	107,681	357,681	2.328	2.296
2018	3,003,314	2,358,650	644,664	5,375	240,000	116,856	356,856	1.822	1.807
2017	2,918,639	2,108,677	809,962	2,688	230,000	126,256	356,256	2.281	2.274
2016	3,140,378	2,354,914	785,464	17,908	225,000	135,356	360,356	2.229	2.180

\* Income excludes Beaverton reimbursement, insurance proceeds, gain (loss) on asset disposition, and includes interest income. In addition income is reduced by transfers to the rate stabilization fund as follows:

2020	\$ (400,000)	Transfer to rate stabilization
2019	\$ (200,000)	Transfer to rate stabilization
2018	\$ (200,000)	Transfer to rate stabilization

\*\* Operating expense excludes depreciation expense

**WEST SLOPE WATER DISTRICT**  
**DEBT PER SERVICE CONNECTION**  
 Last Ten Years

---

<u>As of June 30</u>	<u>Revenue Bond Debt</u>	<u>Service Connections</u>	<u>Debt Per Service Connection</u>
2025	\$ 1,016,358	3,313	\$ 307
2024	1,328,743	3,310	401
2023	1,631,129	3,252	502
2022	1,923,513	3,242	593
2021	2,205,898	3,243	680
2020	2,478,282	3,237	766
2019	2,740,666	3,224	850
2018	2,993,050	3,225	928
2017	3,235,434	3,221	1,004
2016	3,467,818	3,216	1,078

Source: West Slope Water District Utility Billing Records

Additional information on revenue bond debit is located in the  
*Notes to Basic Financial Statements*

**WEST SLOPE WATER DISTRICT**  
**FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION**  
 Last Ten Years

---

<b>As of June 30</b>	<b>Administration</b>	<b>Field Operations</b>	<b>Total</b>	<b>Service Connections</b>	<b>District Population (Estimated)</b>	<b>Employees Per 1,000 population</b>
2025	3.00	4.00	7.00	3,313	10,500	0.67
2024	3.00	4.00	7.00	3,310	10,500	0.67
2023	3.00	4.00	7.00	3,252	10,343	0.68
2022	3.00	3.00	6.00	3,242	10,343	0.58
2021	3.00	4.00	7.00	3,243	10,343	0.68
2020	3.00	4.00	7.00	3,237	10,337	0.68
2019	3.00	4.00	7.00	3,224	10,334	0.68
2018	3.00	4.00	7.00	3,225	10,316	0.68
2017	3.00	4.00	7.00	3,221	10,302	0.68
2016	3.00	4.00	7.00	3,216	10,288	0.68

Source: West Slope Water District Payroll Records  
 Portland State University Center for Population Research and Census

**WEST SLOPE WATER DISTRICT**  
**TOP TEN RATE PAYERS**  
 Last Ten Years

Rate Payer	Fiscal Year 2025			Fiscal Year 2016		
	Consumption in CCF*	Rank	Percentage of District Total	Consumption in CCF*	Rank	Percentage of District Total
Commerce Properties	15,945	1	3.10 %	16,752	1	3.08 %
Canyon Park Apartments	13,802	2	2.68	14,684	2	2.70
Kaady Car Wash	8,269	3	1.61	7,766	5	1.43
Jesuit High School	7,479	4	1.45	10,203	3	1.87
Lanphere Enterprises	7,411	5	1.44	5,239	10	0.96
Lithia Motors Inc	7,372	6	1.43	2,472	23	0.45
Canyon Court Condo	7,002	7	1.36	6,209	6	1.14
Target Store	6,625	8	1.29	1,394	36	0.26
Param Canyon/Best Western	6,005	9	1.17	8,619	4	1.58
Cambridge Real Estate	5,242	10	1.02	5,969	7	1.10
	<b>85,152</b>		<b>16.56</b>	<b>79,307</b>		<b>14.56</b>
<b>ALL OTHER CUSTOMERS</b>	<b>428,912</b>		<b>83.44</b>	<b>465,236</b>		<b>85.44</b>
<b>TOTAL FOR ALL CUSTOMERS</b>	<b>514,064</b>		<b>100.00 %</b>	<b>544,543</b>		<b>100.00 %</b>

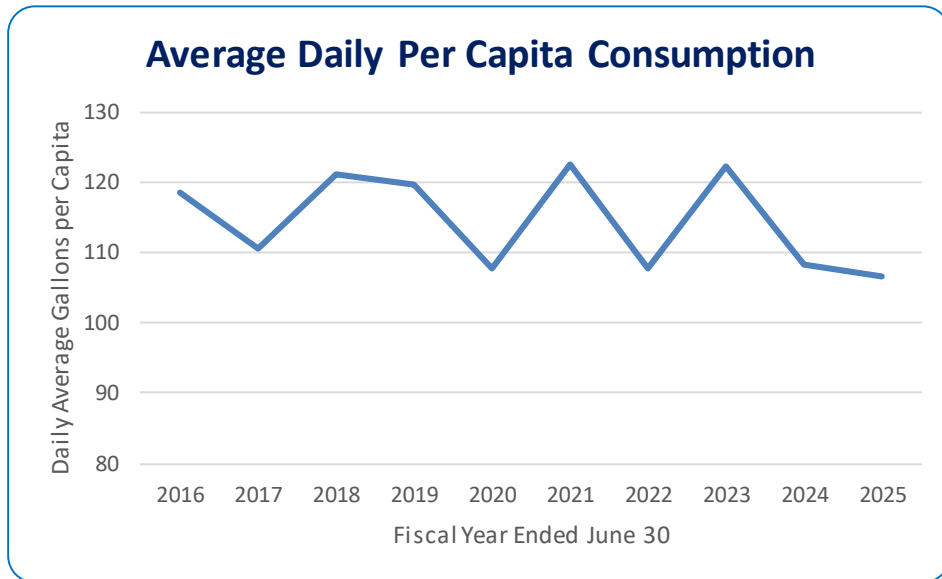
\* 1 CCF (Hundred Cubic Feet) = 748 Gallons  
 Source: West Slope Water District Utility Billing Records

**WEST SLOPE WATER DISTRICT**  
**GALLONS OF WATER CONSUMED**  
 Last Ten Years

<b>Fiscal Year Ended June 30</b>	<b>Water Consumed in CCF *</b>	<b>Water Consumed in Gallons</b>	<b>Average Daily Consumption in Gallons</b>	<b>Average Daily Per Capita Consumption in Gallons</b>	<b>District Population (Estimated)</b>
2025	546,861	409,052,028	1,120,690	107	10,500
2024	554,544	414,798,912	1,136,435	108	10,500
2023	616,940	461,471,120	1,264,304	122	10,343
2022	543,254	406,353,992	1,113,299	108	10,343
2021	617,807	462,119,636	1,266,081	122	10,343
2020	543,034	406,189,432	1,112,848	108	10,337
2019	604,104	451,869,792	1,237,999	120	10,334
2018	609,197	455,679,356	1,248,437	121	10,316
2017	555,831	415,761,588	1,139,073	111	10,302
2016	595,211	445,217,828	1,219,775	119	10,288

\* 1 CCF (Hundred Cubic Feet) = 748 Gallons

Source: West Slope Water District Payables, City of Portland Invoices Meter Reads  
 Portland State University Center for Population Research and Census



**WEST SLOPE WATER DISTRICT**  
**WATER PURCHASED, CONSUMED, AND BILLED**  
 Last Ten Years

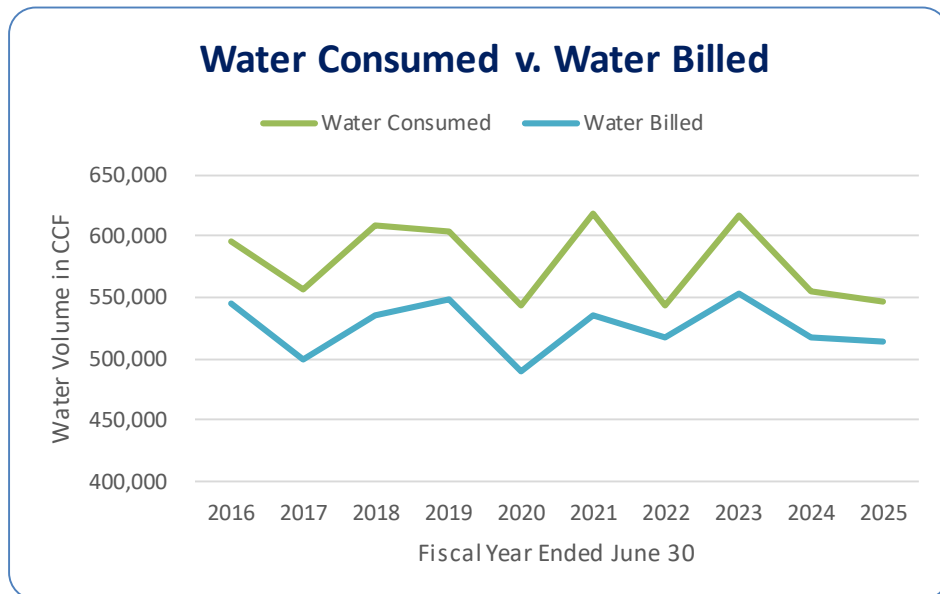
Fiscal Year Ended June 30	Water Purchased		Water Consumed in CCF *	Water Billed in CCF *	Unbilled CCF *	Annual Percent Unbilled
	Wholesale Rate Per CCF * (1)	Quantity in CCF * (2)				
2025	\$ 1.964	683,156	546,861	514,064	32,797	6.00 %
2024	1.892	685,025	554,544	517,154	37,390	6.74
2023	1.471	683,155	616,940	552,933	64,007	10.37
2022	1.542	683,155	543,254	517,409	25,845	4.76
2021	1.777	683,155	617,807	535,229	82,578	13.37
2020	1.977	685,027	543,034	489,913	53,121	9.78
2019	1.776	683,155	604,104	547,929	56,175	9.30
2018	1.757	683,155	609,197	534,842	74,355	12.21
2017	1.405	683,155	555,831	498,768	57,063	10.27
2016	1.301	685,024	595,211	544,543	50,668	8.51

\* 1 CCF (Hundred Cubic Feet) = 748 Gallons

(1) Annual wholesale rate for the year per contract with City of Portland

(2) Annual guaranteed minimum purchase quantity per contract with City of Portland

Source: West Slope Water District Payables, City of Portland Invoices  
 West Slope Water District Billing Records



**Intentionally Left Blank**



**West Slope**  
**Water District**

**COMPLIANCE**  
**SECTION**

**Independent Auditor's Report  
Required by Oregon State Regulations**

Board of Commissioners  
West Slope Water District  
Portland, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the West Slope Water District (the "District") as of and for the year ended June 30, 2025, and have issued our report thereon dated October 23, 2025.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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).
- Accountability for collecting or receiving money by elected officials – no money was collected or received by elected officials.

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.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

**Restriction on Use**

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



Jesse Jiron, Principal  
For REDW<sub>LLC</sub>  
Albuquerque, New Mexico  
October 23, 2025