Report of Independent Auditors
and Financial Statements
with Supplementary Information

Canby Utility Board (A Component Unit of the City of Canby, Oregon)

June 30, 2023 and 2022

MOSSADAMS

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Canby Utility Board
Board of Directors
Year Ended June 30, 2023

Name	Address	Title
Melody Thompson	260 NE 10th Ave. Canby, Oregon	Chairman of the Board of Directors and Registered Agent
David Horrax	1025 N. Noble Ct. Canby, Oregon	Member of the Board of Directors
Jack Pendleton	686 NW 13th Canby, Oregon	Member of the Board of Directors
John Molamphy	1054 NW 8th Avenue Canby, Oregon	Member of the Board of Directors
Carol Sullivan	PO Box 146 Canby, Oregon	General Manager
Barbara Benson	630 Wedgewood Dr. Molalla, Oregon	Board Secretary

Board Meeting – Second Tuesday of Each Month

Registered Office – Canby, Oregon

MOSSADAMS

Report of Independent Auditors

The Board of Directors
Canby Utility Board

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the electric system, water system, and combined total systems of Canby Utility Board (the Utility), a component unit of the City of Canby, Oregon, which comprise the individual and combined statements of net position as of June 30, 2023 and 2022, and the related individual and combined statements of revenues, expenses, and changes in net position, and individual and combined statements of cash flows for the years then ended, and the related notes to the combined and individual financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the Utility as of June 30, 2023 and 2022, and the respective results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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 Utility 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.

Reporting Entity

The financial statements present only the Utility and do not purport to, and do not, present fairly the financial position of the City of Canby, Oregon, as of June 30, 2023 and 2022, the changes in its financial position, or its cash flows, for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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 Utility's ability to continue as a going concern for twelve months beyond the financial statement 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 Utility'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 Utility'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 proportionate share of the net pension liability, the schedule of contributions, and the schedule of changes in total OPEB liability and related ratios be presented to supplement the 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 audits 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 opinions on the financial statements that collectively comprise the Utility’s basic financial statements. The schedule of revenues and expenditures – budget and actual – electric system and water system, for the year ended June 30, 2023, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with the *Minimum Standards for Auditors of Oregon Municipal Corporations*, we have also issued our report dated December 6, 2023, on our consideration of the Utility’s compliance with certain provisions of laws and regulations, including the provisions of the Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*. 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.

Keith Simovic, Partner for,
for Moss Adams LLP
Portland, Oregon
December 6, 2023

Management's Discussion and Analysis

Canby Utility Board (the Utility) is an independent governmental subdivision of the City of Canby, an Oregon municipal corporation. The Utility is located in Canby, Oregon, a historic town of 18,920 on the banks of the Molalla River, twenty miles south of the City of Portland. The Utility was founded in 1970 and is responsible for the exclusive control and management of electric services provided to residential, commercial, and industrial customers within the city limits of Canby. In 1981, a city charter amendment transferred water utility assets ownership to the City of Canby while the Utility continued to operate and manage the water system. Subsequently, the City and the Utility formalized this relationship by entering into an intergovernmental agreement giving the Utility all the City's authority to control and manage the water system.

The Utility has approximately 8,236 electric customers and 5,709 water customers, the majority within the city limits. The Utility purchases all of its wholesale power from Bonneville Power Administration on the federal fiscal year of October through September. For the Utility's fiscal year, the Utility delivered a monthly average of 16,205,286 kilowatt-hours of electricity and 8,714,471 cubic feet of water to our customers. Our average system daily consumption was 537,192 kilowatt-hours of electricity and 288,878 cubic feet of water. Electrical demand varied from a monthly peak demand of 26,672 kilowatts in October to 37,951 kilowatts in December, with an average annual system demand for the period of 22.36 average megawatts.

The Utility is dedicated to providing its customers the highest quality products and services possible at reasonable, stable prices.

The following is provided as a narrative analysis of the electric and water systems' financial activities based on currently known facts, decisions, and conditions. This should be read in conjunction with the Combined Statements of Net Position, Statements of Revenues, Expenses and Changes in Net Position, and Statements of Cash Flows, which follow.

The Combined Statements of Revenues, Expenses and Changes in Net Position report all revenues and expenses for the year. The Combined Statements of Net Position include all assets and liabilities, deferred inflows and outflows, and indicates those that are restricted. The Combined Statements of Cash Flows report the cash from operating activities, as well as cash from capital and related financing activities, and investing activities.

Overview of Financial Performance

The Utility's combined net position has increased from $70.8 million as of June 30, 2022, to $77.8 million as of June 30, 2023. This increase of $7.0 million in combined net position is more than the increase of combined net position of $5.6 million from June 30, 2021, to June 30, 2022. Unrestricted net position, which is the part of net position that can be used to finance day-to-day activities without constraints established by debt covenants or other legal requirements, has increased by $5.1 million. Operating revenues of the Utility increased 4.37% mainly due to increased electric and water sales. The Utility's operating expenses decreased from the previous year by 2.19% mainly due to decreased purchased power costs and vacant positions.

Fiscal Year 2023 Budget Results

Overall electric and water increased the Utility's net position more than budgeted. The operating revenues for electric are under budget by 2.38% and operating revenues for water are over budget by 14.20%. The electric's operating expenses are under budget 9.73% mainly due to lower power costs, vacant positions, and staff turnover. The water's operating expenses are under budget 8.77% mainly due to vacant positions and staff turnover. While there is no budget compliance requirement, the board of directors utilizes budget experience to identify projects and areas within the Utility which may require additional oversight. For more detailed schedules of budget to actual variances for the fiscal year see the supplementary information.

Electric System

Electric System Financial Highlights

(Dollars rounded in thousands)

	Years Ended June 30,		
	2023	2022	2021
Cash and cash equivalents	$ 11,710	$ 8,893	$ 9,842
Utility plant, net	32,301	31,863	29,292
Other assets	3,355	2,860	2,569
Deferred outflows of resources	1,264	1,494	962
Total assets and deferred outflows of resources	$ 48,630	$ 45,110	$ 42,665
Total liabilities	$ 3,862	$ 3,317	$ 4,967
Deferred inflows of resources	1,045	1,545	123
Net position			
Net investment in capital assets	32,301	31,863	29,292
Unrestricted net position	11,423	8,385	8,283
Total liabilities, deferred inflows of resources, and net position	$ 48,630	$ 45,110	$ 42,665
Operating revenues	$ 14,367	$ 14,000	$ 13,366
Operating expenses	(12,250)	(12,660)	(12,151)
Non-operating revenues	246	45	1,537
Income before contributed capital	2,363	1,385	2,752
Contributed capital	1,112	1,289	740
Change in net position	$ 3,475	$ 2,674	$ 3,492

Results of Operations – Electric
(As reported in the Combined Statements of Revenues, Expenses and Changes in Net Position)
Operating revenues increased by 2.62% in 2023 mainly due to increased sales. Operating revenues increased by 4.75% in 2022 mainly due to increased sales, higher unbilled revenue, and reimbursements of qualifying conversation rebates.

Operating expenses decreased by 3.24% in 2023. This was primarily due to a decrease in purchased power costs and lower payroll costs due to open positions.

Operating expenses increased by 4.19% in 2022 primarily due to an increase in purchased power.

Financial Position – Electric
(As reported in the Combined Statements of Net Position)
The electric system’s financial position improved during 2023 with an increase in net position of $3.48 million. At year-end, total utility plant increased due to additions to the distribution system. Total property, plant, and equipment, net, represents 66.42% of total assets and deferred outflows of resources. Total net position – unrestricted, increased by 36.23% mainly due to higher net income.

The electric system’s financial position improved during 2022 with an increase in net position of $2.67 million. At year-end, total utility plant increased due to finishing building phase two of the combined service center and general capital replacements and improvements to the distribution system. Total property, plant, and equipment, net, represents 70.63% of total assets and deferred outflows of resources. Total net position – unrestricted, increased by 1.24% mainly due to line extension fees.

Water System

Water System Financial Highlights

(Dollars rounded in thousands)

	Years Ended June 30, 2023	2022	2021
Cash and cash equivalents	$ 8,043	$ 6,273	$ 5,069
Utility plant, net	27,528	26,556	25,105
Other assets	961	678	787
Deferred outflows of resources	495	729	504
Total assets and deferred outflows of resources	$ 37,027	$ 34,236	$ 31,465
Long-term debt	$ 1,417	$ 1,827	$ 2,226
Other liabilities	1,147	1,098	1,584
Deferred inflows of resources	409	753	63
Net position			
Investment in capital assets, net of related debt	26,111	24,729	22,879
Restricted net position	386	384	382
Unrestricted net position	7,557	5,445	4,331
Total liabilities, deferred inflows of resources, and net position	$ 37,027	$ 34,236	$ 31,465
Operating revenues	$ 4,410	$ 3,831	$ 3,900
Operating expenses	(3,537)	(3,309)	(3,458)
Non-operating revenues (expenses), net	159	(10)	(2)
Income before contributed capital	1,032	512	440
Contributed capital	2,465	2,454	959
Change in net position	$ 3,497	$ 2,966	$ 1,399

Results of Operations – Water

(As reported in the Combined Statements of Revenues, Expenses and Changes in Net Position) Operating revenues increased by 10.77% in 2023 due to higher water sales and higher unbilled water revenue. Operating revenues decreased by 1.78% in 2022 due to a decrease in unbilled water revenue.

Operating expenses decreased by 4.30% in 2022. This is mainly attributed to vacant positions and more labor capitalized. Operating expenses increased by 2.85% in 2021. This is mainly attributed to the OPERS GASB 68 adjustment and the cost of operating the water treatment plant.

Financial Position – Water
(As reported in the Combined Statements of Net Position)
The water system's financial position increased during 2023 with an increase in net position of $3.50 million. At year-end, total utility plant increased due to additions to the distribution system. Total property, plant, and equipment, net, represents 74.35% of total assets and deferred outflows of resources. Total net position – unrestricted, increased by 38% mainly due to an increase in current assets.

The water system's financial position increased during 2022 with an increase in net position of $2.97 million. At year-end, total utility plant increased due to general capital replacements and improvements to the distribution system. Total property, plant, and equipment, net, represents 77.57% of total assets and deferred outflows of resources. Total net position – unrestricted, increased by 25.71% mainly due to an increase in current assets.

Capital Asset and Long-Term Debt Activity
During 2023, the Utility had additions net of accumulated depreciation retirements totaling $438,000 for the electric system and $972,000 for the water system. Principal payment made on the water revenue bonds totaled $410,000 for the 2023 fiscal year.

During 2022, the Utility had additions net of accumulated depreciation retirements totaling $9,190,333 for the electric system and $2,293,428 for the water system. Principal payment made on the water revenue bonds totaled $399,000 for the 2022 fiscal year.

Request for Information
This financial report is designed to provide a general overview of the Utility's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Manager at PO Box 1070, Canby, OR 97013.

Canby Utility Board
Individual and Combined Statements of Net Position
June 30, 2023 and 2022

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	Electric System		Water System		Combined	
	2023	2022	2023	2022	2023	2022
CURRENT ASSETS						
Cash and cash equivalents	$ 11,303,048	$ 8,574,265	$ 7,649,101	$ 5,878,744	$ 18,952,149	$ 14,453,009
Cash and cash equivalents – restricted	407,018	318,333	393,900	393,900	800,918	712,233
Accounts receivable, net	1,568,116	1,220,563	689,832	399,324	2,257,948	1,619,887
Materials and supplies	1,706,422	1,601,899	257,243	265,288	1,963,665	1,867,187
Prepaid expenses	38,740	35,944	13,792	12,777	52,532	48,721
Total current assets	15,023,344	11,751,004	9,003,868	6,950,033	24,027,212	18,701,037
PROPERTY, PLANT, AND EQUIPMENT, net	32,300,629	31,863,344	27,527,891	26,556,278	59,828,520	58,419,622
OTHER ASSETS	41,665	1,456	-	-	41,665	1,456
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows – pension	1,222,208	1,480,883	478,122	723,208	1,700,330	2,204,091
Deferred outflows – other postemployment benefits	42,136	13,271	17,431	6,139	59,567	19,410
Total deferred outflows of resources	1,264,344	1,494,154	495,553	729,347	1,759,897	2,223,501
Total assets and deferred outflows of resources	$ 48,629,982	$ 45,109,958	$ 37,027,312	$ 34,235,658	$ 85,657,294	$ 79,345,616

Canby Utility Board
Individual and Combined Statements of Net Position
June 30, 2023 and 2022

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

	Electric System		Water System		Combined	
	2023	2022	2023	2022	2023	2022
CURRENT LIABILITIES						
Accounts payable	$ 820,877	$ 822,183	$ 143,045	$ 70,283	$ 963,922	$ 892,466
Accrued contributions in lieu of taxes	55,854	47,925	24,136	12,932	79,990	60,857
Accrued expenses	172,300	119,340	36,483	37,223	208,783	156,563
Customer deposits	407,018	318,333	-	-	407,018	318,333
Current portion of debt	-	-	416,000	410,000	416,000	410,000
Total current liabilities	1,456,049	1,307,781	619,664	530,438	2,075,713	1,838,219
LONG-TERM DEBT, net	-	-	1,001,000	1,417,000	1,001,000	1,417,000
OTHER LIABILITIES						
Net pension liability	2,323,159	1,947,768	908,810	951,218	3,231,969	2,898,986
Total OPEB liability	82,619	60,767	34,614	26,065	117,233	86,832
Total other liabilities	2,405,778	2,008,535	943,424	977,283	3,349,202	2,985,818
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows – pension	1,024,811	1,527,927	400,901	746,183	1,425,712	2,274,110
Deferred inflows – other postemployment benefits	20,035	17,058	8,125	6,960	28,160	24,018
Total deferred inflows of resources	1,044,846	1,544,985	409,026	753,143	1,453,872	2,298,128
NET POSITION						
Net investment in capital assets	32,300,629	31,863,344	26,110,891	24,729,278	58,411,520	56,592,622
Restricted- accrued interest	-	-	386,270	383,994	386,270	383,994
Unrestricted	11,422,680	8,385,313	7,557,037	5,444,522	18,979,717	13,829,835
Total net position	43,723,309	40,248,657	34,054,198	30,557,794	77,777,507	70,806,451
Total liabilities, deferred inflows of resources and net position	$ 48,629,982	$ 45,109,958	$ 37,027,312	$ 34,235,658	$ 85,657,294	$ 79,345,616

Canby Utility Board
Individual and Combined Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2023 and 2022

	Electric System		Water System		Combined	
	2023	2022	2023	2022	2023	2022
OPERATING REVENUES						
Sales of power and water	$ 13,822,204	$ 13,587,541	$ 4,243,517	$ 3,830,779	$ 18,065,721	$ 17,418,320
Other, net	544,713	412,780	166,364	60,068	711,077	472,848
Total operating revenues	14,366,917	14,000,321	4,409,881	3,890,847	18,776,798	17,891,168
OPERATING EXPENSES						
Purchased power	7,177,936	8,059,236	-	-	7,177,936	8,059,236
Water treatment	-	-	1,247,808	1,115,605	1,247,808	1,115,605
System operations less overhead and labor capitalized	1,372,653	1,108,908	628,780	720,139	2,001,433	1,829,047
Administrative services	1,143,433	1,116,763	460,927	432,372	1,604,360	1,549,135
Customer services and conservation	624,441	608,974	151,091	138,134	775,532	747,108
Contribution in lieu of taxes	692,152	684,293	209,834	196,138	901,986	880,431
Depreciation	1,238,994	1,082,239	838,767	766,783	2,077,761	1,849,022
Other, net	-	-	-	-	-	-
Total operating expenses	12,249,609	12,660,413	3,537,207	3,369,171	15,786,816	16,029,584
Net operating income	2,117,308	1,339,908	872,674	521,676	2,989,982	1,861,584
NONOPERATING REVENUE (EXPENSE)						
Interest income	278,041	45,339	197,991	31,001	476,032	76,340
Interest expense	(8,849)	(1,428)	(32,774)	(41,800)	(41,623)	(43,228)
Gain (loss) on sale of assets	(23,585)	711	(6,224)	803	(29,809)	1,514
Total nonoperating revenue (expense)	245,607	44,622	158,993	(9,996)	404,600	34,626
CONTRIBUTIONS IN AID OF CONSTRUCTION	1,111,737	1,289,342	2,464,737	2,454,338	3,576,474	3,743,680
Change in net position	3,474,652	2,673,872	3,496,404	2,966,018	6,971,056	5,639,890
NET POSITION, beginning of year	40,248,657	37,574,785	30,557,794	27,591,776	70,806,451	65,166,561
NET POSITION, ending	$ 43,723,309	$ 40,248,657	$ 34,054,198	$ 30,557,794	$ 77,777,507	$ 70,806,451

Canby Utility Board
Individual and Combined Statements of Cash Flows
Years Ended June 30, 2023 and 2022

	Electric System		Water System		Combined	
	2023	2022	2023	2022	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	$ 14,103,062	$ 13,995,302	$ 4,119,373	$ 4,054,625	$ 18,222,435	$ 18,049,927
Cash paid for purchased power	(6,961,583)	(7,806,275)	-	-	(6,961,583)	(7,806,275)
Cash paid to suppliers	(2,236,621)	(2,959,406)	(1,024,111)	(1,149,634)	(3,260,732)	(4,109,040)
Cash paid to employees	(276,595)	(345,151)	(986,881)	(908,477)	(1,263,477)	(1,253,628)
Cash paid for employee benefits	(516,124)	(515,343)	(226,115)	(214,758)	(742,239)	(730,101)
Cash paid for retirement obligation	(296,582)	(310,501)	(316,629)	(203,785)	(613,211)	(514,286)
Cash paid for contribution in lieu of taxes	(679,153)	(688,357)	(198,630)	(201,582)	(877,783)	(889,939)
Net cash provided by operating activities	3,136,403	1,370,269	1,367,007	1,376,389	4,503,410	2,746,658
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest earnings on cash equivalents	278,041	45,339	197,991	31,037	476,032	76,376
Net cash provided by investing activities	278,041	45,339	197,991	31,037	476,032	76,376
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Principal payment on long-term debt	-	-	(410,000)	(399,000)	(410,000)	(399,000)
Interest paid	(8,849)	(1,428)	(32,774)	(41,800)	(41,623)	(43,228)
Contributed capital	1,111,737	1,289,342	2,464,737	2,454,338	3,576,474	3,743,680
Proceeds from sale of property, plant, and equipment	(23,585)	711	(6,224)	803	(29,809)	1,514
Additions to utility plant, net	(1,676,279)	(3,653,390)	(1,810,380)	(2,218,246)	(3,486,659)	(5,871,636)
Net cash used by capital and related financing activities	(596,976)	(2,364,765)	205,359	(203,905)	(391,617)	(2,568,670)
Net change in cash and investments	2,817,468	(949,157)	1,770,357	1,203,521	4,587,825	254,364
CASH AND CASH EQUIVALENTS, beginning	8,892,598	9,841,755	6,272,644	5,069,123	15,165,242	14,910,878
CASH AND CASH EQUIVALENTS, ending	$ 11,710,066	$ 8,892,598	$ 8,043,001	$ 6,272,644	$ 19,753,067	$ 15,165,242
RECONCILIATION TO THE STATEMENT OF NET POSITION						
Cash and cash equivalents	$ 11,303,048	$ 8,574,265	$ 7,649,101	$ 5,878,744	$ 18,952,149	$ 14,453,009
Cash and cash equivalents – restricted	407,018	318,333	393,900	393,900	800,918	712,233
	$ 11,710,066	$ 8,892,598	$ 8,043,001	$ 6,272,644	$ 19,753,067	$ 15,165,242

Canby Utility Board
Individual and Combined Statements of Cash Flows
Years Ended June 30, 2023 and 2022

	Electric System		Water System		Combined	
	2023	2022	2023	2022	2023	2022
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES						
Net operating income	$ 2,117,308	$ 1,339,908	$ 872,674	$ 521,640	$ 2,989,982	1,861,548
Adjustments to reconcile net operating income to net cash provided by operating activities						
Depreciation	1,238,994	1,082,239	838,767	766,783	2,077,761	1,849,022
Pension expense (credit)	130,950	89,557	(142,604)	(23,988)	(11,654)	65,569
OPEB expense (credit)	(4,036)	(3,573)	(1,578)	(4,056)	(5,614)	(7,629)
Changes in operating assets and liabilities						
Accounts receivable, net	(347,553)	(9,816)	(290,508)	163,814	(638,061)	153,998
Materials and supplies	(104,523)	(295,604)	8,045	(48,098)	(96,478)	(343,702)
Prepaid expenses	(2,796)	(17,926)	(1,015)	(6,244)	(3,811)	(24,170)
Other noncurrent assets	(40,209)	31,887	-	-	(40,209)	31,887
Accounts payable	(1,306)	(803,279)	72,762	18,790	71,456	(784,489)
Accrued contributions in lieu of taxes	7,929	(2,125)	11,204	(5,444)	19,133	(7,569)
Accrued expenses	52,877	(43,857)	(740)	(6,808)	52,137	(50,665)
Customer deposits	88,768	2,858	-	-	88,768	2,858
Net cash provided by operating activities	$ 3,136,403	$ 1,370,269	$ 1,367,007	$ 1,376,389	$ 4,503,410	$ 2,746,658

Note 1 – Summary of Significant Accounting Policies

Reporting entity – The Canby Utility Board (the Utility) is a component unit of the City of Canby (the City). The Utility was established on November 3, 1970, and is responsible for the exclusive control and management of electric services provided to residential and commercial customers within the city limits of Canby, Oregon. These basic financial statements include the Utility's electric system, and the City's water system, as the Utility is financially accountable for the administration and operation of the City's water service.

All non-management employees are members of the International Brotherhood of Electrical Workers (IBEW). The agreements between the Utility and IBEW expire June 30, 2026.

The Utility purchases all of its wholesale power from Bonneville Power Administration (see Note 8).

Basis of accounting – The Utility's financial statements are presented on the flow of economic resources measurement focus and the accrual basis of accounting and conform to the accounting principles generally accepted in the United States of America for proprietary (enterprise) funds. Accordingly, revenues are recorded when earned and expenses are recorded when incurred.

The financial statements of the Utility have been prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments.

The Utility accounts for the activities of the Utility in two systems, the electric system and the water system. The electric system accounts for all activities related to the distribution of power to customers of the Utility. The water system accounts for all activities related to the distribution of water to customers of the Utility. The accounts of the Utility are organized on the basis of a proprietary (enterprise) fund type.

The activities of each system are accounted for with a separate set of self-balancing accounts that comprise the Utility's assets, liabilities, deferred inflows and outflows, net position, revenues, and expenses. All inter-system activity has been eliminated in the combined financial statements.

Use of estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant items subject to such estimates and assumptions include the depreciation of utility plant, valuation allowances for receivables, and obligations related to employee pension and postemployment benefits. Actual results could differ from those estimates.

Adoption of new accounting standards – In March 2020, GASB issued Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements." The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. Canby Utility adopted GASB Statement No. 94 during the fiscal year ended June 30, 2023, which did not have an impact on the Utility's financial reporting.

In May 2020, GASB issued Statement No. 96, "Subscription-Based Information Technology Arrangements." This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. Canby Utility adopted GASB Statement No. 96 during the fiscal year ended June 30, 2023, which did not have an impact on the Utility's financial reporting.

Operating revenue and expenses – Operating revenue is recorded on the basis of service delivered, including an estimated amount for unbilled service. Operating revenues generally result from providing services in connection with the proprietary funds' principal ongoing operations. The credit practices of the Utility require an evaluation of each new customer's credit worthiness on a case-by-case basis. At the discretion of management, a deposit may be obtained from the customer. Operating expenses include cost of power, administrative expenses, and depreciation on plant assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Cash and cash equivalents – The Utility considers cash and other financial instruments with an original maturity of 3 months or less to be cash and cash equivalents. The Utility maintains its cash in bank deposit accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of $250,000 per depositor.

Further, Oregon Revised Statute (ORS) 295 was established to provide a shared liability pool, increasing the protection of public funds, while allowing banks to pledge collateral, more accurately reflecting their actual public funds deposited. As of June 30, 2023 and 2022, the Utility had a book balance of $1,078,728 and $1,266,935, respectively. Of these deposits, $250,000 was covered by the FDIC and $828,728 and $1,016,935 was collateralized in accordance with Oregon Revised Statutes (ORS) 295 as of June 30, 2023 and 2022, respectively.

Institutions with deposits in excess of FDIC coverage participate in the Oregon Public Funds Collateralization Program (PFCP) as defined in Oregon Revised Statutes (ORS) 295. This provides additional protection for public funds in the event of a bank failure, although it does not guarantee 100% protection. The Office of the State Treasurer categorizes the financial institutions in Oregon.

ORS authorize the Utility to invest in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, time certificates of deposit, and commercial paper, among others.

Cash restricted by provisions of bond resolutions and agreements with other parties are identified as restricted assets. When the restricted assets are expendable within the terms of the agreements, it is the Utility's policy to spend restricted resources first, then unrestricted resources as needed.

Receivables – Accounts receivable primarily represent user charges for electric and water service, which are recognized as earned. Accounts receivable also include estimated revenues that are accrued for power and water deliveries not yet billed to customers from meter reading dates prior to month end (unbilled revenue). The Utility discontinues electric, and in some circumstances water, service on delinquent accounts until payment is received. Concentrations of credit risk with respect to receivables for residential customers are limited due to the large number of residential customers comprising the Utility's customer base.

Allowances for uncollectible receivables have been provided for the electric and water systems, based upon management's review of the year-end accounts receivable aging and past credit and collection history. The allowance for uncollectable receivables for electric was $1,974 and $2,969 as of June 30, 2023 and 2022, respectively. The allowance for uncollectable receivables for water was $645 and $1,301 as of June 30, 2023 and 2022, respectively. Receivables are written off when the Utility determines an account is uncollectible.

Materials and supplies – Materials and supplies are stated at the lower of cost or market, with cost determined using a weighted average basis.

Property, plant, and equipment – Property, plant, and equipment are stated at cost. Costs include labor, materials, and related indirect costs, such as engineering, used during construction. The cost of additions, renewals, and betterments is capitalized. Projects constructed by others and contributed to the Utility are stated at approximate cost. Repairs and minor replacements are charged to operating expenses. The cost of property and removal cost, less salvage, is charged to accumulated depreciation when property is retired.

Depreciation is computed on assets placed in service using the straight-line method over their estimated useful lives as follows:

Buildings	50 years
Distribution plant	33 to 50 years
Equipment	6 to 25 years

Compensated absences – Accumulated, unpaid compensated absences (vacation) are recorded as an expense when earned. Sick pay is recorded when leave is taken as such amounts do not vest to the employees.

Net pension liability – The Utility reports its proportionate share of the net pension liability of the Oregon Public Employees Retirement System (OPERS). The net pension liability is measured as the portion of the present value of the projected benefit payments to be provided to current active and inactive qualifying employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

For purposes of measuring the net pension liability, deferred outflows and deferred inflows or resources related to pensions, and pension expense, information about the fiduciary net position of OPERS and additions to/deductions from OPERS' fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments in the Plan are reported at fair value.

Total OPEB liability – The Utility allows retired employees to purchase health insurance at the same rates as active employees. For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources to OPEB, and OPEB expense, the Utility has relied on actuarial reports.

Deferred outflows of resources and deferred inflows of resources – Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. Deferred outflows of resources follows assets on the statement of net position.

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and therefore will not be recognized as an inflow of resources (revenue) until that time. In the statement of net position, this includes resources that are received before the Utility has met eligibility requirements related to time. Deferred inflows of resources follows liabilities on the statement of net position.

Net position – Net position comprises the differences between assets and deferred outflows of resources less liabilities and deferred inflows. Net position is classified in the following three categories:

Net investment in capital assets – consists of all capital assets, net of accumulated depreciation and reduced by the outstanding balance of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – consists of external constraints placed on net position used by creditors, grantors, contributors, or laws of regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation. The Utility has $386,270 and $383,994 classified as restricted net position at June 30, 2023 and 2022, respectively.

Unrestricted net position – consists of all other net position that is not included in the other categories previously mentioned.

Note 2 – Cash and Cash Equivalents

Cash and cash equivalents at fair value at June 30, 2023 and 2022, are comprised of:

	2023	2022
Cash on hand	$ 800	$ 800
Cash deposits in bank demand accounts	277,810	554,702
Restricted cash – customer deposits and bond reserve	800,918	712,233
Investment in State Treasurer's LGIP	18,673,539	13,897,507
Total cash and cash equivalents	$ 19,753,067	$ 15,165,242

Customer deposits are required prior to the provision of service in all cases where acceptable credit has not been demonstrated or a co-signer has not been accepted. A deposit may also be required if a customer has had two disconnect notices within a six-month period. Any deposit held by the Utility accrues interest to the customer’s account at the rate earned by the Utility’s cash and cash equivalents.

Statutes authorize the Utility to invest in obligations of the U.S. Treasury and U.S. agencies, banker's acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, the State Treasurer's Investment Pool, and deposits with banks, mutual savings banks, and savings and loan associations. No financial instruments that meet the definition of an investment under GASB Statement 72 were held as of June 30, 2023 and 2022.

Cash equivalents consist of cash deposits with the State of Oregon Local Government Investment Pool (LGIP), an external investment pool of the State of Oregon. The fair value of the Utility’s position in the LGIP is the same as the value of the pool shares.

The State of Oregon LGIP is an open-ended, no-load diversified portfolio created under Oregon Revised Statutes 294.805 to 294.895 and administered by the Oregon State Treasurer as part of the Oregon Short Term Fund. Investments are regulated by the Oregon Short Term Fund Board and approved by the Oregon Investment Council. Separate financial statements for the Oregon Short Term Fund are available from the Oregon Audits Division, 255 Capital Street NE, Suite 500, Salem, OR 97301.

Interest rate risk – In accordance with its investment policy, the Utility manages its exposure to declines in fair value of its investments by limiting its investments to the LGIP.

Custodial credit risk – For deposits, this is the risk that in the event of a bank failure, the Utility’s deposits may not be returned to it. The Utility does not have bank deposit policies to address custodial risk.

Nevertheless, management does not believe that there is any substantial custodial risk related to cash due to FDIC coverage.

Concentration of credit risk – Financial instruments that are exposed to concentrations of credit risk consist primarily of cash and receivables. Credit is extended to customers generally without collateral requirements, however, deposits are obtained from certain customers and formal shut-off procedures are in place.

For an investment, there is the risk that, in the event of a failure of the counterparty, the Utility will not be able to recover the value of its investments or collateralized securities that are in the possession of an outside party. The LGIP is administered by the Oregon State Treasury with the advice of other state agencies and is not registered with the U.S. Securities and Exchange Commission. The LGIP is an open-ended, no-load diversified portfolio offered to any agency, political subdivision, or public corporation of the State that by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon legislature established the Oregon Short Term Fund Board, which has established diversification percentages and specifies the types and maturities of investments of the LGIP. These investments within the LGIP must be invested and managed as a prudent investor would, exercising reasonable care, skill, and caution. Professional standards indicate that the investments in external investment pools are not subject to custodial risk because they are not evidenced by securities that exist in physical or book entry form.

Note 3 – Property, Plant, and Equipment

Electric system property, plant, and equipment activity during 2023 is as follows:

	Balance at July 1, 2022	Increases	Decreases	Balance at June 30, 2023
Electric plant assets not being depreciated				
Land	$ 1,078,741	$ -	$ -	$ 1,078,741
Electric plant assets being depreciated				
Buildings	13,162,747	-	-	13,162,747
Distribution plant	23,784,703	1,401,559	(7,967)	25,178,295
Substation	6,378,139	36,392	-	6,414,531
Vehicle equipment	1,488,374	166,381	-	1,654,755
Office furniture and equipment	904,107	4,991	-	909,098
Other equipment	703,798	13,447	-	717,245
	46,421,868	1,622,770	(7,967)	48,036,671
Less accumulated depreciation	(15,802,228)	(1,296,738)	5,015	(17,093,951)
Net electric plant assets being depreciated	30,619,640	326,032	(2,952)	30,942,720
Property held for future use	3,633	-	-	3,633
Construction work in progress	161,330	1,609,649	(1,495,444)	275,535
Property, plant, and equipment, net	$ 31,863,344	$ 1,935,681	$ (1,498,396)	$ 32,300,629

Electric system property, plant, and equipment activity during 2022 is as follows:

	Balance at July 1, 2021	Increases	Decreases	Balance at June 30, 2022
Electric plant assets not being depreciated				
Land	$ 1,078,741	$ -	$ -	$ 1,078,741
Electric plant assets being depreciated:				
Buildings	5,716,366	7,446,381	-	13,162,747
Distribution plant	22,270,680	1,526,051	(12,028)	23,784,703
Substation	6,378,139	-	-	6,378,139
Vehicle equipment	1,565,334	-	(76,960)	1,488,374
Office furniture and equipment	712,182	191,925	-	904,107
Other equipment	692,101	25,976	(14,279)	703,798
	37,334,802	9,190,333	(103,267)	46,421,868
Less accumulated depreciation	(14,772,937)	(1,126,566)	97,275	(15,802,228)
Net electric plant assets being depreciated	22,561,865	8,063,767	(5,992)	30,619,640
Property held for future use	3,633	-	-	3,633
Construction work in progress	5,647,954	3,556,614	(9,043,238)	161,330
Property, plant, and equipment, net	$ 29,292,193	$ 11,620,381	$ (9,049,230)	$ 31,863,344

Water system property, plant, and equipment activity during 2023 is as follows:

	Balance at July 1, 2022	Increases	Decreases	Balance at June 30, 2023
Water plant assets not being depreciated				
Land	$ 1,970,838	$ -	$ -	$ 1,970,838
Water plant assets being depreciated:				
Buildings	7,145,442	-	-	7,145,442
Distribution plant	22,425,046	1,767,158	(22,080)	24,170,124
Water treatment plant	6,488,013	-	(30,394)	6,457,619
Vehicle equipment	511,175	55,638	-	566,813
Office furniture and equipment	443,828	1,664	-	445,492
Other equipment	933,769	36,553	-	970,322
	37,947,273	1,861,010	(52,474)	39,755,809
Less accumulated depreciation	(13,464,031)	(868,542)	15,953	(14,316,620)
Net water plant assets being depreciated	24,483,242	992,468	(36,521)	25,439,189
Construction work in progress	102,198	516,958	(501,292)	117,864
Property, plant, and equipment, net	$ 26,556,278	$ 1,509,426	$ (537,813)	$ 27,527,891

Water system property, plant, and equipment activity during 2022 is as follows:

	Balance at July 1, 2021	Increases	Decreases	Balance at June 30, 2022
Water plant assets not being depreciated				
Land	$ 1,970,838	$ -	$ -	$ 1,970,838
Water plant assets being depreciated:				
Buildings	6,946,200	199,242	-	7,145,442
Distribution plant	20,479,476	1,971,745	(26,175)	22,425,046
Water treatment plant	6,488,013	-	-	6,488,013
Vehicle equipment	600,595	-	(89,420)	511,175
Office furniture and equipment	446,023	11,578	(13,773)	443,828
Other equipment	822,906	110,863	-	933,769
	35,783,213	2,293,428	(129,368)	37,947,273
Less accumulated depreciation	(12,794,281)	(793,767)	124,017	(13,464,031)
Net water plant assets being depreciated	22,988,932	1,499,661	(5,351)	24,483,242
Construction work in progress	145,045	585,204	(628,051)	102,198
Property, plant, and equipment, net	$ 25,104,815	$ 2,084,865	$ (633,402)	$ 26,556,278

Note 4 – Pension Plans

Plan description – All qualified employees are eligible to participate in one of the Utility’s two pension plans administered by Public Employees Retirement System (PERS). The Oregon Public Employees Retirement Fund (Tier 1/Tier 2) is a cost-sharing multiple-employer defined benefit pension plan for qualifying employees hired before August 29, 2003. The Oregon Public Service Retirement Plan (OPSRP) is a hybrid successor plan to Tier 1/Tier 2 consisting of two programs: a defined benefit pension plan and a defined contribution program (the Individual Account Program or IAP). The OPSRP pension plan is effective for all new employees hired on or after August 29, 2003. The plan provides a life pension funded by employer contributions. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary, years of service and type of service (general or police/fire). Beginning January 1, 2004, all PERS member contributions go into the IAP portion of OPSRP. Tier 1/Tier 2 members retain their existing Tier 1/Tier 2 accounts, but future member contributions are deposited into the member’s IAP account. Benefit provisions under the Plans are established by State statute. PERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the PERS website.

Benefits Provided (Tier 1 / Tier 2) – The Tier 1 / Tier 2 pension plan provides retirement, disability benefits, annual cost-of-living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. The plan is closed to new members on or after August 29, 2003. The retirement allowance is payable monthly for life and may be selected from 13 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 percent 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. A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five 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 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier 2 members are eligible for full benefits at age 60.

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 1200 days after terminated of PERS-covered employment
- The member died as a result of injury sustained while employed in a PERS-covered job
- The member was on an official leave of absence from a PERS-covered job at the time of death

A member with 10 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 disability benefits 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.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the cost-of-living adjustments will vary based on 1.25 percent on the first $60,000 of annual benefit and 0.15 percent on annual benefits over $60,000.

Benefits Provided (OPSRP) – The OPSRP pension plan provides retirement, disability benefits, annual cost-of-living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. The plan is open to new members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age: 1.5 percent 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. A member of the OPSRP plan 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.

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.

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to a 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.

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA 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.

Contributions – PERS 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.

Employer contribution rates during the year ended June 30, 2023, were based on the December 31, 2019, actuarial valuation, which became effective July 1, 2021. Employer contribution rates during the year ended June 30, 2022, were based on the December 31, 2018, actuarial valuation, which became effective July 1, 2020.

The state of Oregon and certain schools, community colleges and political subdivisions have made lump sum payments to establish side accounts, and their rates have been reduced. Employer contributions for the year ended June 30, 2023 and 2022, were $466,040 and $447,346, respectively, excluding amounts to fund employer-specific liabilities.

Pension liability, pension expense, and deferred outflows of resources and deferred inflows of resources related to pension – At June 30, 2023, the utility reported a liability of $3,231,969 for its proportionate share of the net pension liability. At June 30, 2022, the utility reported a liability of $2,898,986 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, rolled forward to June 30, 2022, using standard update procedures. The Utility's proportion of the net pension liability was based on a projection of the Utility's long-term share of contributions to the Plans relative to the projected contributions for all participating employers, actuarially determined. The Utility's proportionate share of the net pension liability for the Plans as of the June 30, 2023 and 2022, measurement dates was 0.02110742% and 0.02422589%, respectively.

For the years ended June 30, 2023 and 2022, the Utility recognized GASB 68 pension credit and expense of $11,654 and $65,569, respectively. At June 30, 2023 and 2022, the Utility reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	June 30, 2023		June 30, 2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 466,040	$ -	$ 447,346	$ -
Changes in assumptions	507,113	4,633	725,704	7,629
Differences between expected and actual experience	156,886	20,155	271,364	-
Changes in employer proportion	567,452	439,003	747,540	51,060
Differences between projected and actual earnings on plan investments	-	577,814	-	2,146,097
Differences between Utility contributions and the Utility's proportionate share of contributions	2,839	384,107	12,137	69,324
	$ 1,700,330	$ 1,425,712	$ 2,204,091	$ 2,274,110

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense (credit) as follows:

Years ending June 30,	2024	$ 26,830
	2025	(62,176)
	2026	(250,124)
	2027	171,418
	2028	(77,370)
		$ (191,422)

Actuarial assumptions – The total pension liability in the December 31, 2020, actuarial valuations was determined using the following actuarial assumptions:

Valuation Date	December 31, 2020
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.40%
Projected Salary Increase	3.40%
Investment Rate of Return	6.90%

Mortality rates for healthy retirees and beneficiaries, active members, and disabled retirees were based on the RP-2014 Sex-distinct tables.

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 of even numbered years. The methods and assumptions shown above are based on the 2018 Experience Study which reviewed experience for the four-year period ended on December 31, 2018.

Discount rate – The discount rate used to measure the total pension liability was 6.90% percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the 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.

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 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.

Asset Class	Target	20-Year Annualized Mean (Geometric)
Global Equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core Fixed Income	23.75%	2.73%
Real Estate	12.25%	5.66%
Master Limited Partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge Fund of Funds - Multistrategy	1.25%	5.11%
Hedge Fund Equity - Hedge	0.63%	5.31%
Hedge Fund - Macro	5.62%	5.06%
US Cash	-2.50%	1.76%

Sensitivity analysis – Below is a sensitivity analysis around the discount rate assumed in the actuarial assumptions:

Employers' Net Pension Liability / (Asset)	1% Decrease 5.90%	Current Discount Rate 6.90%	1% Increase 7.90%
Defined benefit pension plan	$ 5,731,618	$ 3,231,969	$ 1,139,879

Pension plan fiduciary net position – Detailed information about each pension plan's fiduciary net position is available in the separately issued OPERS financial reports.

Payable to the pension plan – At June 30, 2023 and 2022, the Utility did not have an outstanding amount of contributions payable to the pension plan.

Note 5 – Post Employment Benefits Other than Pensions

Plan description and benefits provided – The Utility has a health insurance continuation option available for retirees. It is a substantive post-employment benefits plan offered under Oregon Revised Statutes (ORS) 243.303. ORS 243.303 requires that the Utility provide retirees and their dependents with an opportunity to participate in group health and dental insurance from the date of retirement to age 65, with a rate calculated using claims experience from retirees and active employees for health plan rating purposes. Providing the same rate to retirees as provided to current employees constitutes an implicit rate subsidy for OPEB. This single-employer plan is not a stand-alone plan and therefore does not issue its own financial statements. Retirees pay 100% of the premium and coverage may lapse if their premium is unpaid. As of June 30, 2023, the following employees were covered under the plan:

Active participants	22
Retired employees	1
Total participants	23

Total OPEB liability, OPEB expense (credit), and deferred outflows of resources and deferred inflows of resources related to OPEB – The Utility's total OPEB liability at June 30, 2023, of $117,233 was measured as of June 30, 2022, and was determined by an actuarial valuation as of July 1, 2022. The Utility's total OPEB liability at June 30, 2022, of $86,832 was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020.

At June 30, the Utility reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	June 30, 2023		June 30, 2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 44,833	$ 4,553	$ 6,073	$ 7,587
Changes in assumptions or inputs	1,069	23,607	1,456	16,431
Contributions made subsequent to measurement date	13,665	-	11,881	-
	$ 59,567	$ 28,160	$ 19,410	$ 24,018

Deferred inflows of resources related to OPEB will be recognized in OPEB expense (credit) as follows:

Years ending June 30,	2024	$ (3,258)
	2025	753
	2026	3,863
	2027	3,682
	2028	3,649
	Thereafter	9,053
		$ 17,742

Actuarial assumptions – The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	July 1, 2022
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions	
Discount Rate	3.54%
Inflation	2.40%
Projected Salary Increase	3.40%

Mortality rates for healthy retirees and beneficiaries were based on the RP-2014 Sex-distinct tables, as appropriate, with adjustments for mortality improvements based on the Unisex Social Security Data Scale.

Discount rate – The discount rate used to measure the total pension OPEB liability was 3.54% for the June 30, 2022, measurement date. This rate is consistent with the Bond Buyer 20-year General Obligation Bond index.

Health care cost trend – The health care cost trend starts at 3.75% in the first year and in future years varies between 6.75% and 3.75% due to the timing of the excise tax scheduled to affect health care benefits. The trend then settles to an ultimate rate of 4.00%. Dental costs are assumed to increase 4.00% in all future years.

Changes in total OPEB liability – Changes in the total OPEB liability are presented below for the years ended June 30:

	2023	2022
BALANCE, beginning of measurement period	$ 86,832	$ 91,728
Changes for the year		
Service cost	9,543	9,270
Interest on total OPEB Liability	1,954	2,050
Effect of economic/demographic gains or losses	45,458	-
Effect of assumptions changes or inputs	(14,673)	321
Benefit payments	(11,881)	(16,537)
BALANCE, end of measurement period	$ 117,233	$ 86,832

Sensitivity analysis – Below is a sensitivity analysis around the discount rate of 3.54% as well as the healthcare trend rate assumed in the actuarial assumptions:

Discount Rate	1% Decrease 2.54%	Current Discount Rate 3.54%	1% Increase 4.54%
Total OPEB Liability	$ 125,058	$ 117,233	$ 109,978

Healthcare Cost Trend	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	$ 107,026	$ 117,233	$ 129,451

Note 6 – Long-Term Debt

The Utility issued Water System Revenue Bonds (2004 and 2007 Water Revenue Bonds) dated September 30, 2004, and October 31, 2007, for $2,900,000 and $3,200,000, respectively. In 2014, the Utility also issued a Water Revenue Refunding Bond, Series 2014, dated September 18, 2014, for $1,951,000. These fixed rate bonds were issued for the purpose of refunding the outstanding 2004 Water Revenue Bonds and to pay costs of issuance related to the 2014 bonds. The refunding transaction resulted in a net present value savings of $156,069. In 2017, Canby Utility Board issued $1,988,000 in 2017 Water Revenue Refunding Bonds and utilized the proceeds to redeem the remaining balance on the 2007 Water Revenue Bonds and pay for the costs of issuance. The refunding transaction resulted in a net present value savings of $148,468. All bond purchase agreements provide that principal and interest on the bonds are payable solely from and secured by the net revenues of the water system.

Current and long-term debt activity is presented below for the year ended June 30, 2023, is as follows:

	June 30, 2022	Increases	Decreases	June 30, 2023
2014 Water Revenue Refunding Bonds, with interest rates of 2.3% maturing through 2025	$ 580,000	$ -	$ (215,000)	$ 365,000
2017 Water Revenue Refunding Bonds, with interest rates of 2.09% maturing through 2028	1,247,000	-	(195,000)	1,052,000
Total water system debt	1,827,000	$ -	$ (410,000)	1,417,000
Less current portion	410,000			416,000
Long-term debt	$ 1,417,000			$ 1,001,000

Current and long-term debt activity is presented below for the year ended June 30, 2022, is as follows:

	June 30, 2021	Increases	Decreases	June 30, 2022
2014 Water Revenue Refunding Bonds, with interest rates of 2.3% maturing through 2025	$ 786,000	$ -	$ (206,000)	$ 580,000
2017 Water Revenue Refunding Bonds, with interest rates of 2.09% maturing through 2028	1,440,000	-	(193,000)	1,247,000
Total water system debt	2,226,000	$ -	$ (399,000)	1,827,000
Less current portion	399,000			410,000
Long-term debt	$ 1,827,000			$ 1,417,000

Future requirements for retirement of the 2014 water revenue bonds and 2017 water revenue refunding bonds are as follows:

	Principal	Interest	Total
2024	$ 416,000	$ 25,908	$ 441,908
2025	357,000	17,377	374,377
2026	213,000	11,234	224,234
2027	213,000	6,782	219,782
2028	218,000	2,278	220,278
	$ 1,417,000	$ 63,579	$ 1,480,579

Note 7 – Risk Management

The Utility 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 Utility carries commercial insurance for risks of loss including workers' compensation, property and liability, automobile liability, directors' and officers' liability, and employee dishonesty coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage during the current and prior fiscal years.

Note 8 – Commitments

Purchase power agreements – The Utility entered into a Full Service Power Sales Agreement with the Bonneville Power Administration (BPA) on December 9, 2009. This agreement provided that the Utility will use BPA as its power source from October 1, 2011 through September 30, 2028. Wholesale power rates under the agreement are not fixed.

Power and transmission rates include rate adjustment mechanisms such as a Reserves and Distribution Clause (RDC), that Bonville Power Administration (BPA) employs if certain financial conditions occur. Based upon fiscal year 2022 financial results and year-end reserves for risk levels for both Power and Transmission Services, the (RDC) triggered for application to fiscal year 2023 power and transmission rate levels. In January 2023, the Administrator released BPA's final decision regarding the Power RDC amount for application to fiscal year 2023 rate levels. Of the total $500 million Power RDC amount, $350 million will be used to reduce fiscal year 2023 power rates for the remainder of the fiscal year through a Power Dividend Distribution. The utility received BPA distribution in the amount of $982,804 which is netted against purchase power cost.

Note 9 – Related Party

The Utility makes payments to the City for contributions in lieu of taxes. For the year ended June 30, 2023, contributions totaled $209,834 ($196,138 in 2022) and $692,152 ($684,293 in 2022) for water and electric, respectively. At June 30, 2023, the amount payable to the City for both water and electric was $24,136 ($12,932 at June 30, 2022) and $55,854 ($47,925 at June 30, 2022), respectively.

Required Supplementary Information

Canby Utility Board
Schedule of Proportionate Share of the Net Pension Liability
As of June 30
Last Ten Years*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension asset (liability)	0.02110742%	0.02422589%	0.01920219%	0.01930467%	0.01840518%	0.01978236%	0.02175027%	0.02530615%	0.02230393%
Proportionate share of the net pension asset (liability)	$ (3,231,969)	$ (2,898,986)	$ (4,190,578)	$ (3,339,246)	$ (2,788,142)	$ (2,666,670)	$ (3,265,221)	$ (1,452,943)	$ 505,566
Covered-employee payroll	$ 2,081,336	$ 2,325,952	$ 1,626,167	$ 1,718,146	$ 1,692,959	$ 1,719,358	$ 1,747,999	$ 1,810,490	$ 1,592,085
Proportionate share of the net pension asset (liability) as percentage of covered-employee payroll	155%	125%	258%	194%	165%	155%	187%	80%	32%
Plan's fiduciary net position	$ 83,327,806	$ 84,331,316,437	$ 68,319,296,993	$ 70,203,720,619	$ 69,327,500,445	$ 66,371,703,247	$ 62,082,059,102	$ 64,923,626,094	$ 65,401,492,664
Plan fiduciary net position as a percentage of the total pension asset (liability)	84.50%	87.60%	75.80%	80.20%	82.10%	83.10%	80.50%	91.90%	103.60%

* Fiscal year 2014 was the 1st year of implementation, therefore only nine years are shown.
Data is presented as of the measurement date

See accompanying notes.

Canby Utility Board
Schedule of Contributions
As of June 30
Last Ten Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	$ 466,040	$ 447,346	$ 448,205	$ 463,247	$ 305,600	$ 306,220	$ 230,179	$ 225,984	$ 204,466
Contributions in relation to the actuarially determined contribution	466,040	447,346	448,205	463,247	305,600	306,220	230,179	225,984	204,466
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 2,165,062	$ 2,081,336	$ 2,325,952	$ 1,626,167	$ 1,718,146	$ 1,692,959	$ 1,719,358	$ 1,747,999	$ 1,810,490
Contributions as a percentage of covered-employee payroll	21.53%	21.49%	19.27%	28.49%	17.79%	18.09%	13.39%	12.93%	11.29%

Notes to Schedule

Valuation date:	12/31/2020, rolled forward to June 30, 2022

Methods and assumptions used to determine contribution rates:

Single and Agent Employers Example	Entry age normal
Experience study report	2018, published July 24, 2019
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Tier One/Tier Two - 20 years; OPSRP - 16 years
Asset valuation method	Market value of assets
Inflation	2.40%
Salary increases	3.40%
Investment rate of return	6.90%
Retirement age	55 for Tier 1/Tier 2; 65 for OPSRP
Mortality	RP-2014 Sex-distinct tables
Discount rate	6.90%

* Fiscal year 2015 was the 1st year of implementation, therefore only nine years are shown.
Data is presented as of Canby Utility Board's fiscal year end date

See accompanying notes.

Canby Utility Board
Schedule of Changes in Total OPEB Liability and Related Ratios
As of June 30
Last Ten Years*

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	$ 9,543	$ 9,270	$ 7,789	$ 6,975	$ 8,015	$ 8,507
Interest cost	1,954	2,050	3,206	3,191	4,359	3,667
Effect of assumptions changes or inputs	(14,673)	321	(8,630)	2,198	(22,873)	(6,280)
Effect of economic/demographic gains or losses	45,458	-	8,773	-	(19,723)	-
Benefit payments	(11,881)	(16,537)	(6,379)	(1,742)	(14,219)	(10,457)
Net change in total OPEB liability	30,401	(4,896)	4,759	10,622	(44,441)	(4,563)
Total OPEB liability, beginning of period	86,832	91,728	86,969	76,347	120,788	125,351
Total OPEB liability, end of period	$ 117,233	$ 86,832	$ 91,728	$ 86,969	$ 76,347	$ 120,788
Covered payroll	$ 2,165,062	$ 2,081,336	$ 2,325,952	$ 2,314,659	$ 1,898,808	$ 1,838,667
Total OPEB liability as a percent of covered payroll	5.41%	4.17%	3.94%	3.76%	4.02%	6.57%

* Fiscal year 2018 was the 1st year of implementation, therefore only six years are shown.
Data is presented as of the measurement date

Supplementary Information

Canby Utility Board
Schedule of Revenues and Expenditures – Budget and Actual
Electric System
Year Ended June 30, 2023

Budget results – The supplemental information includes detailed schedules of budget to actual variances for the fiscal year. While there is no budget compliance requirement, the board of directors utilizes budget overages to identify projects and areas within the Utility which may require additional oversight.

	Budgeted Amounts Final	Actual	Variance
OPERATING REVENUES			
Sales of power	14,136,864	$ 13,822,204	$ (314,660)
Other, net	438,396	544,713	106,317
Total operating revenues	14,575,260	14,366,917	(208,343)
OPERATING EXPENSES			
Purchased power	7,967,827	7,177,936	(789,891)
Board of Directors	16,718	9,835	(6,883)
Executive	269,380	262,845	(6,535)
Administrative	311,137	272,131	(39,006)
Customer service	662,475	624,441	(38,034)
Finance	631,312	548,034	(83,278)
Operations	530,142	478,295	(51,847)
Distribution	1,192,534	894,358	(298,176)
Risk management	48,430	50,588	2,158
Depreciation	1,228,507	1,238,994	10,487
Contribution in lieu of taxes	706,842	692,152	(14,690)
Total operating expenses	13,565,304	12,249,609	(1,315,695)
Net operating income	1,009,956	2,117,308	1,107,352
OTHER INCOME – INTEREST INCOME	70,669	278,041	207,372
CONTRIBUTIONS IN AID OF CONSTRUCTION			
Contributions in aid of construction	-	91,007	91,007
Line extension fees	228,592	556,409	327,817
Hook-up fees	1,052,339	464,321	(588,018)
Total contributions in aid of construction	1,280,931	1,111,737	(169,194)
Change in net position	2,361,556	3,507,086	$ 1,145,530
ADJUSTMENTS TO CHANGE IN NET POSITION ON A US GAAP BASIS			
Gain on sale of assets	-	(23,585)	
Interest expense	1,308	(8,849)	
Changes in net position	$ 2,362,864	$ 3,474,652	

See accompanying notes.

Canby Utility Board
Schedule of Revenues and Expenditures – Budget and Actual
Water System
Year Ended June 30, 2023

	Budgeted Amounts Final	Actual	Variance
OPERATING REVENUES			
Sales of water	$ 3,716,000	$ 4,243,517	$ 527,517
Other, net	-	-	-
Total operating revenues	3,716,000	4,243,517	527,517
OPERATING EXPENSES			
Board of Directors	5,426	2,268	(3,158)
Executive	76,850	73,802	(3,048)
Administrative	188,362	163,320	(25,042)
Customer service	149,601	151,089	1,488
Finance	206,629	178,671	(27,958)
Operations	249,302	180,035	(69,267)
Distribution	578,374	448,745	(129,629)
Water treatment plant	1,244,953	1,247,808	2,855
Risk management	40,944	42,868	1,924
Depreciation	764,204	838,767	74,563
Contribution in lieu of taxes	185,800	209,834	24,034
Other, net	4,280	(166,364)	(170,644)
Total operating expenses	3,694,725	3,370,843	(323,882)
Net operating income	21,275	872,674	851,399
OTHER INCOME – INTEREST INCOME	50,229	197,991	147,762
CONTRIBUTIONS IN AID OF CONSTRUCTION			
Contributions in aid of construction	1,464,860	1,436,524	(28,336)
Hook-up fees	61,437	78,499	17,062
System development charges fees	758,360	949,714	191,354
Total contributions in aid of construction	2,284,657	2,464,737	180,080
Change in net position	2,356,161	3,535,402	$ 1,179,241
ADJUSTMENTS TO CHANGE IN NET POSITION ON A US GAAP BASIS			
Gain (loss) on sale of assets	-	(6,224)	
Interest expense	(32,775)	(32,774)	
Changes in net position	$ 2,323,386	$ 3,496,404	

See accompanying notes.

Report of Independent Auditors Required by Oregon State Regulations

The Board of Directors
Canby Utility Board

We have audited, in accordance with auditing standards generally accepted in the United States of America the financial statements of the Canby Utility Board (the Utility), a component unit of the City of Canby, Oregon, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Utility's basic financial statements, and have issued our report thereon dated December 6, 2023.

Compliance

As part of obtaining reasonable assurance about whether the Utility's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules (OAR) 162-010-0000 to 162-010-0330, of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the financial statements: 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:

- Accounting records and internal control
- Public fund deposits
- Indebtedness
- Insurance and fidelity bonds
- Investments
- Public contracts and purchasing

In connection with our testing, nothing came to our attention that caused us to believe the Utility was not in substantial compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of ORS as specified in OAR 162-010-0000 through 162-010-0330 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 Utility's internal control over financial reporting (internal control) as a basis for designing 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 Utility's internal control. Accordingly, we do not express an opinion on the effectiveness of the Utility's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. Accordingly, this communication is not suitable for any other purpose.

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

Keith Simovic, Partner for,
for Moss Adams LLP
Portland, Oregon
December 6, 2023