

**EVANS VALLEY RURAL FIRE PROTECTION
DISTRICT NO. 6**

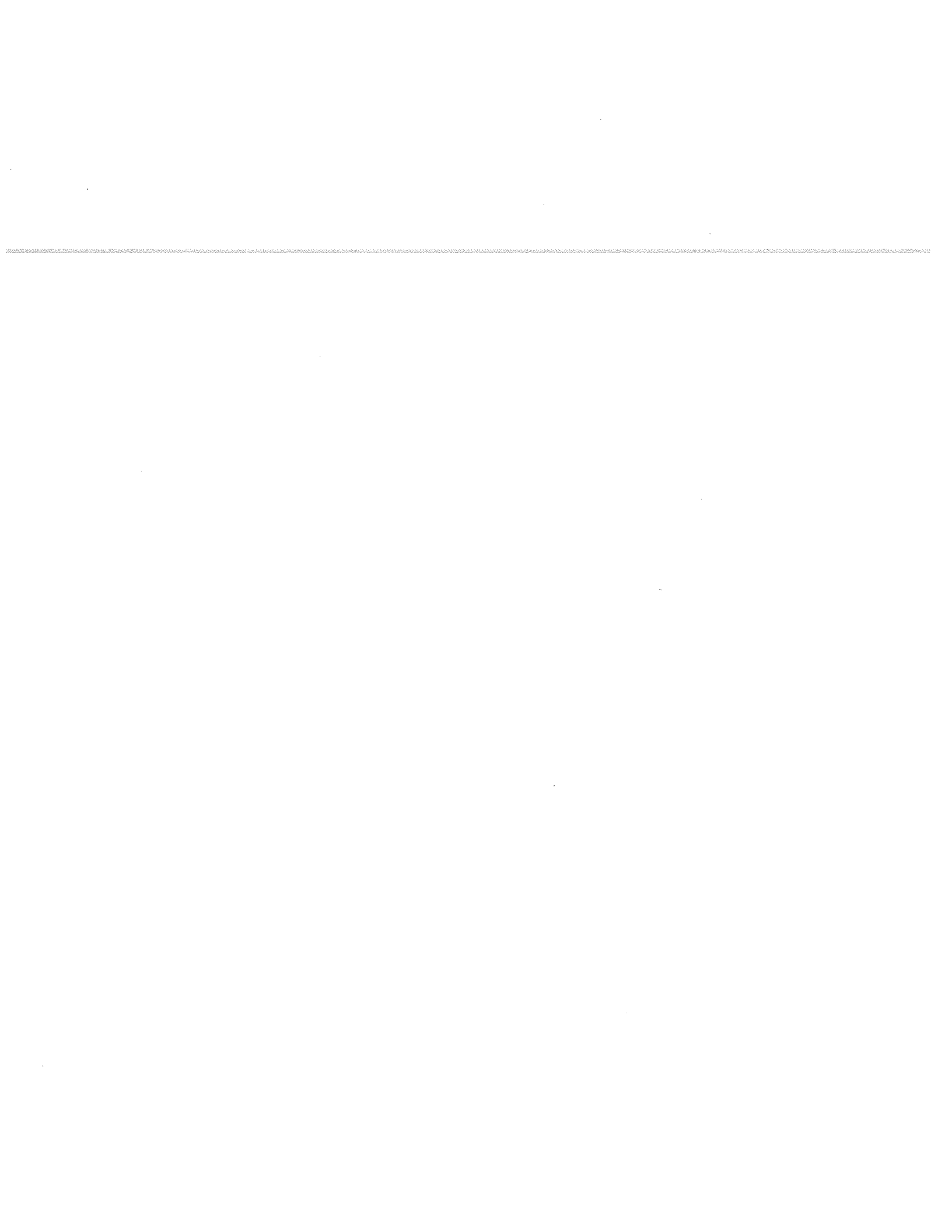
AUDIT REPORT

For the Year Ended

June 30, 2024

RICHARD W. BREWSTER, CPA, PC

CERTIFIED PUBLIC ACCOUNTANT
MEDFORD



EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6

June 30, 2024

ELECTED BOARD OF DIRECTORS

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>	<u>Address</u>
Larry Tuttle Chairperson	3	06/30/25	7128 East Evans Creek Road Rogue River, OR 97537
Patricia Ott Vice Chairperson	2	06/30/25	11450 East Evans Creek Road Rogue River, OR 97537
Kathryn Henning Secretary/Treasurer	4	06/30/27	1810 Queens Branch Road Rogue River, OR 97537
Cynthia Edwards Director	1	06/30/27	13238 East Evans Creek Road Rogue River, OR 97537
Heather Friend Director	5	06/30/25	8170 West Evans Creek Road Rogue River, OR 97537

LEGAL COUNSEL

Local Government Law Group

975 Oak Street, Suite 700
Eugene, OR 97401

REGISTERED AGENT AND FIRE CHIEF

Tom Davidson, Fire Chief

8677 East Evans Creek Road
Rogue River, OR 97537

REGISTERED OFFICE

Evans Valley Rural Fire Protection District No. 6

8677 East Evans Creek Road
Rogue River, OR 97537

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
For the Year Ended June 30, 2024

TABLE OF CONTENTS

	<u>Page</u>
FINANCIAL SECTION	
Management's Discussion and Analysis	1-7
Independent Auditor's Report	8-9
Basic Financial Statements	
Statement of Net Position - Cash Basis and Governmental Funds Balance Sheet - Cash Basis	10
Statement of Activities - Cash Basis and Governmental Funds Receipts, Disbursements and Changes in Fund Balances - Cash Basis	11
Notes to Basic Financial Statements	12-26
SUPPLEMENTARY INFORMATION	
Notes to Budgetary Comparison Schedules	27
Budgetary Comparison Schedule - Cash Basis - General Fund	28
Budgetary Comparison Schedule - Cash Basis - Capital Projects Fund	29
Detail to Budgetary Comparison Schedules - Cash Basis	30-32
REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS	
Independent Auditor's Report Required by Oregon State Regulations	33-34

FINANCIAL SECTION

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
Management's Discussion and Analysis
For the Year Ended June 30, 2024
Unaudited

Our discussion and analysis of Evans Valley Rural Fire Protection District No. 6's financial performance provides an overview of the District's financial activities for the year ended June 30, 2024, within the limitations of the District's cash basis of accounting. Please read it in conjunction with the District's financial statements.

1. REPORT LAYOUT

The District's annual financial report consists of several sections. Taken together, they provide a comprehensive financial look at the District. The components of the report include the following:

Management's Discussion and Analysis. This section of the report provides financial highlights, overview and economic factors affecting the District. The Management's Discussion and Analysis provides users of this report with additional data that supplements the government-wide financial statements, fund financial statements, and notes to the financial statements.

Basic Financial Statements. Includes government-wide financial statements, fund financial statements, and the notes to the financial statements.

Government-wide financial statements provide information about the activities of the District government-wide (or "as a whole"). Government-wide financial statements focus on an entity-wide presentation using the cash basis of accounting. They are designed to be more corporate-like in that all activities are consolidated into a total for the District. The two statements are the Statement of Net Position—Cash Basis and the Statement of Activities—Cash Basis.

Fund financial statements focus on the activities of the individual parts of the District government. Governmental fund statements follow the more traditional presentation of financial statements and tell how services were financed in the short term as well as what remains for future spending. The two statements are the Balance Sheet—Cash Basis and the Statement of Receipts, Disbursements, and Changes in Fund Balances—Cash Basis.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Supplementary Information. This part of the annual report includes optional financial information such as budgetary comparison schedules and details to budgetary comparison schedules. This other supplemental financial information is provided to address certain specific needs of various users of the District's annual report.

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
Management's Discussion and Analysis
For the Year Ended June 30, 2024
 Unaudited

2. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Government-Wide Financial Statements

A condensed version of the Statement of Net Position on June 30, 2024, and 2023, follows:

Table 1
Net Position - Cash Basis

	Governmental Activities		Percentage Change
	2024	2023	
Cash and investments	\$ 819,996	\$ 872,679	(6.04) %
Total assets	\$ 819,996	\$ 872,679	(6.04)
Net Position			
Restricted	\$ 347,253	\$ 552,906	(37.19)
Unrestricted	472,743	319,773	47.84
Total net position	\$ 819,996	\$ 872,679	(6.04)

See note for table 2.

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
Management's Discussion and Analysis
For the Year Ended June 30, 2024
 Unaudited

2. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

A condensed version of the Statement of Activities for the years ended June 30, 2024, and 2023, follows:

Table 2			
Changes in Net Position - Cash Basis			
Governmental Activities			
	2024	2023	Percentage Change
Receipts			
Property taxes	\$ 461,639	\$ 444,115	3.95 %
Earnings on investments	39,679	11,848	234.90
Grant income	37,000	635,972	(94.18)
Sale of surplus property	5,500	20,000	(72.50)
Miscellaneous	1,552	7,114	(78.18)
Total receipts	545,370	1,119,049	(51.26)
Disbursements			
Fire suppression	598,053	551,577	8.43
Total disbursements	598,053	551,577	8.43
Changes in net position--cash basis	(52,683)	567,472	(109.28)
Net position			
Beginning net position--cash basis	872,679	305,207	185.93
Ending net position--cash basis	\$ 819,996	\$ 872,679	(6.04)

The biggest increases noted above are earnings on investments and property taxes. For the earnings on investments, our surplus dollars are deposited in our LGIP account. At the end of the fiscal year, our LGIP account was earning 5.20% on our balance, which contributed to the increase in earnings for the year. The other major income source was grant funds in the prior year. We received various grants through the state of Oregon, FEMA, various trusts, and the Josephine County Foundation in the amount of \$635,972 in the 2022-23 year. Of this amount, \$552,906 was carried over to 2023-24 to be spent in compliance with the grant awards. Of this balance, all monies have been spent except for \$312,253 of the OSFM Capacity Grant, which will be carried over to the 2024-25 fiscal year.

All Fire suppression expenditures were within budgeted amounts in all the major categories.

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
Management's Discussion and Analysis
For the Year Ended June 30, 2024
 Unaudited

2. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

Costs for Personnel Services increased from ~\$293,000 in 2022-23 to ~\$326,700 in 2023-24, or an 11% increase. This increase was a result of salary increases, an increase in health insurance and workman's compensation insurance, as well as the extra wages needed for full staff coverage during the summer.

Disbursements in the Materials and Services category increased. In the prior year, Materials and Services was approximately \$174,800, as compared to approximately \$217,000 in the current year. The biggest increases were in vehicle repair and maintenance (\$5,830) and the student program (\$24,500).

Capital Outlay expenditures include extrication equipment purchased in the current year and upgrades to the fire station.

3. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The total changes in fund balance for the years ended June 30, 2024, and 2023, follows:

Table 3
Changes in Fund Balances

	2024	2023	Change 2023-2024
General Fund	\$ 758,856	\$ 851,539	\$ (92,683)
Capital Projects Fund	61,140	21,140	40,000
Total fund balances	\$ 819,996	\$ 872,679	\$ (52,683)

See comment for Table 2: regarding receipts and overall disbursements.

The total fund balance on June 30, 2024, reflects a budget aimed at maintaining the ending unappropriated funds as recommended by our auditor, plus the restricted dollars for unspent grant dollars at year end. The unappropriated ending fund balance is necessary in order that the District can operate during the months between the close of the prior fiscal year, on June 30, and November 15, when property taxes are collected for the current fiscal year.

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
Management's Discussion and Analysis
For the Year Ended June 30, 2024
 Unaudited

4. BUDGETARY HIGHLIGHTS

The District made the following budgetary changes during the fiscal year ending June 30, 2024:

Table 4
Budgetary Changes - General Fund

	Original Budget	Final Budget	Change
Personnel services	\$ 345,046	\$ 345,046	\$ -
Materials and services	239,500	248,056	8,556
Capital outlay	56,750	56,750	-
Contingency	50,000	41,444	(8,556)
Transfer Out	40,000	40,000	-
Total disbursements	<u>\$ 731,296</u>	<u>\$ 731,296</u>	<u>\$ -</u>

Highlights of the decisions made by the Board of Directors during the year are:

- To adopt the 2024-25 Budget
- To accept the 2024 OSFM Wildfire Season Staffing Grant for \$35,000 to cover seasonal personnel costs.
- To accept various grants in the amount of \$552,906 in the prior year. These funds were approved by the Board of Directors at the June 8, 2023, Board Meeting. However, these funds were not spent before June 30, 2023, and carried over to the 2023-24 fiscal year. In the current fiscal year, the District expended \$159,403 of the three year Capacity Grant, funded by OSFM, which was part of the Restricted Fund Balance in the prior year.

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
Management's Discussion and Analysis
For the Year Ended June 30, 2024
 Unaudited

4. BUDGETARY HIGHLIGHTS (Continued)

A condensed version of the General Fund Budgetary Comparison Schedule for the year ended June 30, 2024, follows:

Table 4
Budgetary Comparison Schedule

	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
Receipts	\$ 487,600	\$ 539,870	\$ 52,270
Disbursements			
Personnel services	345,046	326,706	18,340
Materials and services	248,056	217,104	30,952
Capital outlay	56,750	54,243	2,507
Total disbursements	649,852	598,053	51,799
Other financing sources and (uses)	(81,444)	(34,500)	46,944
Change in Fund Balances	\$ (243,696)	\$ (92,683)	\$ 151,013

Actual receipts were greater than budgeted, as discussed. Disbursements fell below the budgeted amounts.

5. CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District uses the cash basis of accounting and, therefore, the District does not record capital assets or depreciation on its government-wide financial statements.

Debt Outstanding

The District currently has no debt outstanding as of June 30, 2024.

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
Management's Discussion and Analysis
For the Year Ended June 30, 2024
Unaudited

6. ECONOMIC FACTORS

Each year experiences a small statutory increase in assessed values of existing properties, re-assessment due to property sales, as well as an increase in the properties base due to new construction.

7. FINANCIAL CONTACT

The District's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need additional information, please contact the District at:

Evans Valley Fire District No. 6
8677 East Evans Creek Road
Rogue River, OR 97537
541-582-0678
Fire Chief Tom Davidson

RICHARD W. BREWSTER, CPA, PC

CERTIFIED PUBLIC ACCOUNTANT

670 SUPERIOR COURT, # 106
MEDFORD, OREGON 97504
(541) 773-1885 • FAX (541) 770-1430
www.rwbrewstercpa.com

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Evans Valley Rural Fire
Protection District No. 6
8677 East Evans Creek Road
Rogue River, OR 97537

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying cash-basis financial statements of the governmental activities and each major fund of Evans Valley Rural Fire Protection District No. 6 (the District), as of and for the year ended June 30, 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 my opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities and the major funds of Evans Valley Rural Fire Protection District No. 6 as of June 30, 2024, and the respective changes in cash basis financial position for the year the ended in accordance with the cash basis of accounting as described in Note 1.

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Evans Valley Rural Fire District No. 6 and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Responsibilities of Management's for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Evans Valley Rural Fire Protection District No. 6's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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 generally accepted auditing standards 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 generally accepted auditing standards, I:

- 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 Evans Valley Rural Fire Protection District No. 6'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Evans Valley Rural Fire Protection District No. 6's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Other Matters

Other Information

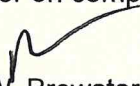
My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Evans Valley Rural Fire Protection District No. 6's basic financial statements. The supplementary information, as listed in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

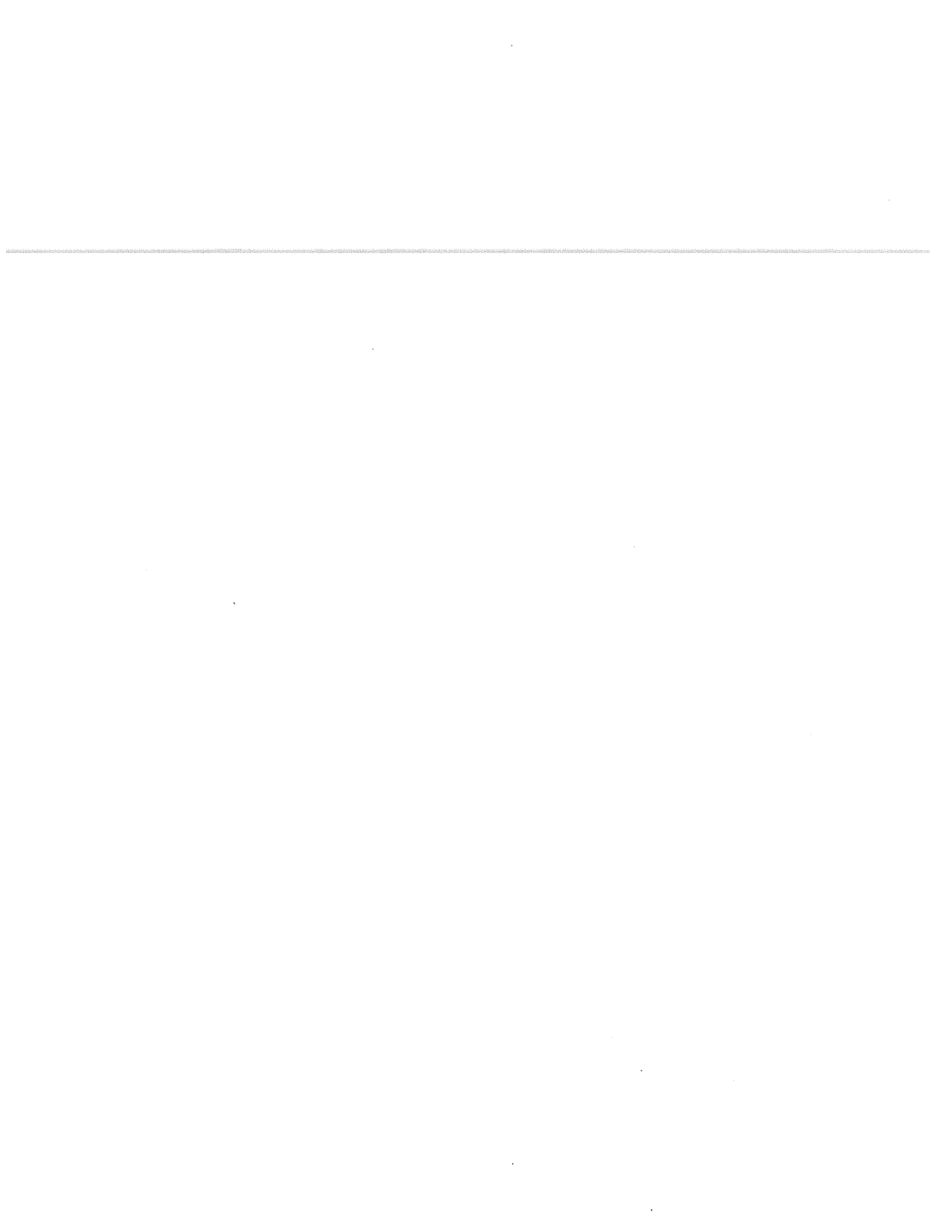
The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial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

Reports on Other Legal and Regulatory Requirements

Other Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, I have also issued my report dated August 29, 2024, on my consideration of Evans Valley Rural Fire Protection District No. 6's internal control over financial reporting and on my tests of its compliance with the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-240 to 162-10-320. The purpose of that report is to describe my evaluation of internal control over financial reporting and the scope of my testing of compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance.


Richard W. Brewster
Certified Public Accountant
Medford, Oregon
August 29, 2024



BASIC FINANCIAL STATEMENTS

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
Statement of Net Position—Cash Basis and
Governmental Funds Balance Sheet—Cash Basis
June 30, 2024

	<u>Budgetary Basis</u>			<u>Adjustments</u>	<u>Statement of Net Position</u>
	<u>General</u>	<u>Capital Projects</u>	<u>Total</u>		
Assets					
Cash and cash equivalents	\$ 758,856	\$ 61,140	\$ 819,996	\$ -	\$ 819,996
Total assets	<u>\$ 758,856</u>	<u>\$ 61,140</u>	<u>\$ 819,996</u>	-	<u>819,996</u>
Fund Balance/Net Position					
Restricted	\$ 347,253	\$ -	\$ 347,253	(347,253)	-
Committed	-	61,140	61,140	(61,140)	-
Unassigned	411,603	-	411,603	(411,603)	-
Total fund balances	<u>\$ 758,856</u>	<u>\$ 61,140</u>	<u>\$ 819,996</u>	(819,996)	-
Net Position					
Restricted				347,253	347,253
Unrestricted				472,743	472,743
Total net position				<u>\$ 819,996</u>	<u>\$ 819,996</u>

See notes to financial statements.

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
Statement of Activities—Cash Basis and
Governmental Funds Receipts, Disbursements, and
Changes in Fund Balances—Cash Basis
For the Year Ended June 30, 2024

	<u>Budgetary Basis</u>			<u>Adjustments</u>	<u>Statement of Activities</u>
	<u>General</u>	<u>Capital Projects Fund</u>	<u>Total</u>		
RECEIPTS					
Property taxes	\$ 461,639	\$ -	\$ 461,639	\$ -	\$ 461,639
Earnings on investments	39,679	-	39,679	-	39,679
Grants	37,000	-	37,000	-	37,000
Miscellaneous	1,552	-	1,552	-	1,552
Total receipts	<u>539,870</u>	<u>-</u>	<u>539,870</u>	<u>-</u>	<u>539,870</u>
DISBURSEMENTS					
Fire suppression					
Current					
Personnel services	326,706	-	326,706	-	326,706
Materials and services	217,104	-	217,104	-	217,104
Capital outlay	54,243	-	54,243	-	54,243
Total disbursements	<u>598,053</u>	<u>-</u>	<u>598,053</u>	<u>-</u>	<u>598,053</u>
Excess (deficiency) of receipts over disbursements	<u>(58,183)</u>	<u>-</u>	<u>(58,183)</u>		
OTHER FINANCING SOURCES (USES)					
Sale of surplus property	5,500	-	5,500	-	5,500
Transfers In (Out)	(40,000)	40,000	-	-	-
Total other financing sources (uses)	<u>(34,500)</u>	<u>40,000</u>	<u>5,500</u>	<u>-</u>	<u>5,500</u>
Net changes in fund balances-- cash basis	(92,683)	40,000	(52,683)	52,683	
Change in net position-- cash basis				(52,683)	(52,683)
FUND BALANCE--CASH BASIS/ NET POSITION--CASH BASIS					
Beginning of the year	<u>851,539</u>	<u>21,140</u>	<u>872,679</u>	<u>-</u>	<u>872,679</u>
End of the year	<u>\$ 758,856</u>	<u>\$ 61,140</u>	<u>\$ 819,996</u>	<u>\$ -</u>	<u>\$ 819,996</u>

See notes to financial statements.

NOTES TO THE FINANCIAL STATEMENTS

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

Evans Valley Rural Fire Protection District No. 6 was officially formed March 27, 1963, to provide fire protection services to citizens residing within the District. The original boundaries in the Evans Valley area of Jackson County were expanded by annexation on June 18, 1976. The District is a municipal corporation governed by five elected directors as provided by Oregon statute and has no component units.

BASIS OF PRESENTATION – GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. These statements include the cash activities of the District with interfund activities removed to minimize the double counting of internal activities. The District's fire protection and general administrative services are classified as governmental activities. The governmental activities are generally financed through property tax revenues and grants.

BASIS OF PRESENTATION - FUND FINANCIAL STATEMENTS

The financial transactions of the District are reported in individual funds in the fund financial statements on a cash basis of accounting. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, fund balances, receipts, and disbursements. The District has two governmental funds on a budgetary basis; the General Fund, and the Capital Projects Fund. The various funds are reported by generic classification within the financial statements.

Governmental funds

The focus of the government funds measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

General Fund

This fund accounts for and reports all financial resources not accounted for and reported in another fund. Principal sources of receipts are property taxes, grants, and earnings on investments. Primary disbursements are for personnel services, materials and services, and capital outlay.

Capital Projects Fund

This fund is used to accumulate financial resources for future capital outlay projects of the District. The primary source of receipts is from transfers from the General Fund. For the Government-wide Financial Statement presentation, under GASB 54 requirements, the Capital Projects Fund is collapsed and reported as part of the General Fund.

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Measurement Focus

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the economic resources measurement focus, within the limitations of the cash basis of accounting. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), net financial position, and cash flows. All assets, deferred outflows, liabilities, and deferred inflows (whether current or noncurrent or financial or nonfinancial) associated with their activities are generally reported with the limitations of the cash basis of accounting.

In the fund financial statements, the current financial resources measurement focus is applied to the cash basis of accounting. All governmental funds utilize a current financial resources measurement focus within the limitations of the cash basis of accounting. Only current financial assets and liabilities are generally included on the balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period. Capital asset acquisitions are reported as expenditures in the governmental funds.

Basis of Accounting

The financial statements are presented on a cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board (GASB). This basis of accounting involves the reporting of only cash and cash equivalents and the changes therein resulting from cash inflows (cash receipts) and cash outflows (cash disbursements) reported in the period in which they occurred.

This cash basis of accounting differs from GAAP primarily because revenues (cash receipts) are recognized when received in cash rather than when earned and susceptible to accrual, and expenditures or expenses (cash disbursements) are recognized when paid rather than when incurred or subject to accrual.

If the District utilized the basis of accounting recognized as generally accepted in the United States, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

The District's cash basis policy, although not in accordance with accounting principles generally accepted in the United States of America, is acceptable under Oregon Law (ORS 294.333), which leaves the selection of the method of accounting to the discretion of the municipal corporation.

ASSETS, LIABILITIES, AND NET POSITION/FUND BALANCE

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, short-term investments with original or remaining maturities of three months or less when purchased. Investments maintained in the Oregon State Investment Pool are carried at cost, which approximates fair value, and are classified as a cash equivalent.

Investments

The District invests in the Oregon Local Government Investment Pool and considers this investment a cash equivalent. See the cash and cash equivalents note above.

Capital Assets

On the cash basis of accounting, capital assets for governmental funds are not recorded in the governmental-wide financial statements or fund financial statements.

Compensated Absences and Sick Pay

Part-time, temporary, and contract workers have different guidelines as stipulated in their contracts. All full-time employees of the District receive 120 hours of vacation per fiscal year, which must be used in the current fiscal year. Full-time employees also receive 48 hours of sick leave per year. When taken by the employee, vacation and sick leave are charged to personnel services.

Net Position Flow Assumption

Assets whose use is restricted for construction, debt service or by other agreement are segregated on the Government-wide Statement of Net Assets. It is the District's policy to first use restricted net resources prior to use of unrestricted net resources when an expense is incurred for purposes for which both restricted and unrestricted net resources are available. Currently, the District's assets are all unrestricted.

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primary on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The District uses the following fund balance classification:

Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use).

Committed fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally. The Board of Directors can commit and uncommit funds by resolution.

Unassigned fund balance is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts can be spent as directed by the budget as adopted by the Board of Directors.

Government-Wide Statements

Fund balance is classified as Net Position, which represents the difference between assets and liabilities. Net Position is displayed in three components:

Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets. Because the District is on the cash-basis of accounting, this category is not used.

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

Unrestricted Net Position – Consists of all other Net Position elements that do not meet the definition of "restricted" or "net investment in capital assets".

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of these general purpose financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of receipts and disbursement during the reported period. Actual results could differ from those estimates.

Property taxes

Ad valorem property taxes are levied on all taxable property as of July 1. Property taxes become a lien on July 1 for personal and real property. Collection dates are November 15, February 15, and May 15. Discounts are allowed if the amount is received by November 15. Taxes unpaid and outstanding on May 16 are considered delinquent. Uncollected property taxes are not recorded on the Statement of Net Position—Cash Basis under the cash-basis of accounting.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

BUDGET

The District budgets for all funds as required by state law on a cash basis. The resolution authorizing appropriations for each fund sets the level by which disbursements cannot legally exceed the appropriation. See Supplementary Information for more detail on Local Budget Law.

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

POOLED DEPOSITS AND INVESTMENTS

Cash, cash equivalents, and investments were comprised of the following on June 30, 2024:

	General Fund	Capital Projects Fund	Total
Petty Cash	\$ 100	\$ -	\$ 100
Financial Institutions	43,324	-	43,324
State of Oregon Local Government Pool	715,432	61,140	776,572
	<u>\$ 758,856</u>	<u>\$ 61,140</u>	<u>\$ 819,996</u>
Total cash and equivalents	<u>\$ 758,856</u>	<u>\$ 61,140</u>	<u>\$ 819,996</u>

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

POOLED DEPOSITS AND INVESTMENTS

The total bank balance on June 30, 2024, was \$54,462. The District's demand deposits are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). When deposits exceed the \$250,000 limit, they are secured in accordance with Oregon Revised Statutes 295 under Oregon Public Funds Collateralized Program. At the fiscal year end, all cash deposits are in compliance with Oregon statutes.

Custodial Credit Risk. Custodial credit risk for deposits is the risk that, in the event of a bank failure, a government's deposits may not be returned. The District does not have a formal deposit policy for custodial credit risk.

Investments

The State of Oregon statutes authorize the District to invest primarily in general obligations of the United States Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, time certificates of deposit, certain commercial paper, and the State of Oregon Treasurer's Local Government Investment Pool, among others.

The State of Oregon Local Government Investment Pool (LGIP or Pool) is not registered with the U.S Securities and Exchange Commission as an investment company and is unrated. The Pool investments are not categorized into credit risk since they are not evidenced by specific securities. The Oregon Revised Statutes and the Oregon Investment Council govern the Pool's investment policies. The State Treasurer is the investment officer for the Pool and is responsible for all funds in the Pool. These funds must be invested, and the investments managed, as a prudent investor would, exercising reasonable care, skill and caution. Investment in the fund is further governed by portfolio guidelines issued by the Oregon Short-Term Funds Board, which establish diversification percentages and specify the types and maturities of investments. The Oregon Audits Division of the Secretary of State Office audits the Pool annually. The Division's report on the Pool as of the year ended June 30, 2023, was unqualified.

Interest Rate Risk. The District does not have a formal investment policy regarding interest rate risk.

Credit Risk. Other than following the State Statutes authorization, the District has no formal policy that further restricts its investment choices.

Custodial Credit Risk. The District's investments in the Oregon Local Government Investment Pool are not evidenced by securities that exist in physical or book entry form, and thus, are not subject to custodial credit risk disclosures.

LONG-TERM DEBT

As of June 30, 2024, the District had no long-term debt outstanding.

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

4. OTHER INFORMATION

DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan description

Employees of the District are provided with pensions through the Oregon Public Employees Retirement System (OPERS) a cost-sharing multiple-employer defined benefit pension plan. The Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system. All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A. Tier One/Tier Two Retirement Benefit plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003.

The Pension Program, established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003. OPERS issues a publicly available Comprehensive Annual Financial Report and Actuarial Valuation can be obtained by calling (503) 598-7377 or at the following web page:

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

Benefits provided

1. Tier One/Tier Two Retirement Benefit ORS Chapter 238

Pension Benefits

The PERS retirement allowance is payable monthly for life. It 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 (2.0 percent for police and fire employees, 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 (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

4. OTHER INFORMATION

DEFINED BENEFIT PENSION PLAN (Continued)

Benefits provided (Continued)

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 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 (including PERS judge members) 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 (55 for police and fire members) 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 market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. As a result of the MORO Decision, the cap on the COLA was restored to 2.0 percent.

2. OPSRP Pension Program (OPSRP Defined Benefit)

Pension Benefits

The Pension Program (ORS Chapter 238A) provides benefits to 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:

Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

General service: 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.

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

4. OTHER INFORMATION (Continued)

OPSRP Pension Program (OPSRP Defined Benefit) (Continued)

Under Senate Bill 1049, passed in 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2020. The limit will be equal to \$195,000 in 2020 and will be indexed with inflation in later years.

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 10 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. Under current law, the cap on COLA was restored to 2.0 percent for fiscal years 2016 and beyond.

3. OPSRP Individual Account Program (OPSRP IAP)

In 2003 legislative session, the Oregon Legislative Assembly created a new successor plan for PERS. The Oregon Public Service Retirement Plan (OPSRP) is effective for all new employees hired on or after August 29, 2003, and applies to any inactive PERS members who return to employment following a six month or greater break in service. The new plan consists of the defined benefit pension plan and a defined contribution pension plan (the Individual Account Program or IAP). Beginning January 1, 2004, all PERS member contributions go into the IAP portion of PERS. Existing members retain their PERS accounts, but any future member contributions are deposited into the members IAP, not the member's PERS account. Those employees who had established a PERS membership prior to creation of OPSRP will be members of both PRS and OPSRP system as long as they remain in covered employment. Earnings are based on actual market returns.

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

4. OTHER INFORMATION (Continued)

Pension Benefits

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member 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, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. 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, rollover account balance, and 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.

Contributions

Employer 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. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2021, actuarial valuation, which became effective July 1, 2023. Employer contributions for the year ended June 30, 2024, were \$28,547, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2024, were 17.61 percent for Tier One/Tier Two General Service Member, 11.34 for OPSRP Pension Program General Service Members, and 16.10 percent for OPSRP police and fire. The rates in effect for the fiscal year through June 30, 2025, are 17.61 percent for Tier One/Tier Two Police and Fire, 11.31 percent for OPSRP Pension Program General Service Members, 16.10 percent for OPSRP Pension Program Police and Fire Members, and 6 percent for OPSRP Individual Account Program.

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

4. OTHER INFORMATION (Continued)

Employee Contributions

Beginning January 1, 2004, all employee contributions were placed in the OPSRP Individual Account Program (IAP), a defined contribution pension plan established by the Oregon Legislature. Prior to that date, all member contributions were credited to the Defined Benefit Pension Plan. Member contributions are set by statute at 6.0 percent of salary and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the member's behalf. The IAP member accounts represent member contributions made on or after January 1, 2004, plus earnings allocations less disbursements for refunds, death benefits, and retirements.

OTHER POST-EMPLOYMENT HEALTH BENEFITS (OPEB)

Retirement Health Insurance Account (RHIA)

Plan Description

As a member of Oregon Public Employees Retirement System (OPERS), the District contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. The RHIA plan currently serves 906 participating employers and is closed to new entrants after August 29, 2003. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, OR 97281-3700.

Benefits Provided

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. 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 Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan.

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

4. OTHER INFORMATION (Continued)

Death Benefits

A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Contributions

Participating governments are contractually required to contribute to RHIA at a rate assessed each year. For the year ended June 30, 2023, PERS employers contributed .05 percent of PERS-covered salaries for Tier One and Tier Two members to fund the normal cost portion of RHIA benefits. PERS employers contributed .43 percent of all PERS-covered salaries to amortize the unfunded actual accrued liabilities being amortized over 10 years. These rates were based on the December 31, 2019, actuarial valuation. Employees are not required to contribute to the OPEB plan.

Employer contributions are advance funded on an actuarially determined basis. There is no inflation assumption for RHIA postemployment benefits because the payment amount is set by statute and is not adjusted for increases in healthcare costs. The number of active RHIA plan participants receiving benefits were 40,703 for the fiscal year ended June 30, 2023, and there were 34,508 active and 11,710 inactive members who meet the requirements to receive RHIA benefits when they retire.

Plan Audited Financial Report

RHIA is administered by the Oregon Public Employees Retirement Board (OPERB). The comprehensive annual financial report of the funds administered by the OPERB may be obtained by writing Oregon Public Employees Retirement System, PO Box 23700, Tigard, Oregon 97281-3700, or by the web address of:

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

Due to using the cash basis of accounting, the District does not report net OPEB liability/asset on its financial statements.

HEALTH BENEFIT RETIREE PROGRAM – SINGLE EMPLOYER PLAN

Plan Description

The District maintains a single-employer retiree benefit healthcare plan that provides post-employment health benefits (medical, dental, and vision coverage) to eligible retirees and their spouses/dependents. The level of benefits provided by the plan is the same as those afforded to active employees. In order for the retiree to be eligible to receive benefits they must retire and receive a pension from Oregon Public Employees Retirement System (PERS). Eligibility requirements for retirement under Oregon PERS are as follows: General Service Tier One or Tier Two employees – age 60 or any age with 30 years; Police and Fire Tier One or Tier Two employees - age 50 with 25 years or age 55; OPSRP General Service employees - age 65 or 58 with 30 years of service, and OPSRP Police and Fire – age 53 with 25 years of service or age 60.

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

4. OTHER INFORMATION (Continued)

HEALTH BENEFIT RETIREE PROGRAM – SINGLE EMPLOYER PLAN (Continued)

Plan Description (Continued)

The District's post-retirement healthcare plan is established in accordance with Oregon Revised Statutes (ORS) 243.303, which requires that retirees be allowed to continue their health care coverage at their own expense.

ORS stipulates that for the purpose of establishing health care premiums, the rate must be based on all plan members, including both active and retirees. Due to the effect of age, retiree claims costs are generally higher than claims cost for all members as a whole. The difference between retiree claims cost and the amount of retiree health care premiums represents the District's implicit employer contribution. The benefit duration covers all retirees and eligible dependents until Medicare eligibility, typically age 65.

The District did not establish an irrevocable trust (or equivalent arrangement) to account for the plan. The amortization period for this plan is closed. The plan is accounted for on a flow of economic resources measurement focus and uses the accrual basis of accounting. Benefits are recognized when incurred.

Funding Policy

The benefits from this program are paid by the retired employees on a self-pay basis and required contribution is based on projected pay-as-you-go financial requirements. There is no obligation on the part of the District to fund these benefits in advance; therefore, no funds within the General Fund have been used to liquidate other postemployment benefit obligations.

RELATED PARTY TRANSACTIONS

Definition: A related party is an entity that can control or significantly influence the management or operating policies of another entity to the extent one of the entities may be prevented from pursuing its own interests. A related party may be any party the entity deals with that can exercise control. Examples of related parties include (a) affiliates, (b) investments accounted for under the equity method, (c) trusts for the benefit of employees (for example, pension or profit-sharing trusts), and (d) principal owners and members of management and their immediate families.

There were no related party transactions during the fiscal year ended June 30, 2024.

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

4. OTHER INFORMATION (Continued)

COMMITMENTS

During the year ended June 30, 2023, the District approved an emergency communications contract covering the year ending June 30, 2024. The amount of the contract is \$27,477, which requires quarterly payments of approximately \$6,869.

RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft or damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters for which the District carries commercial insurance.

During the current year, there were no significant reductions in insurance coverage from the prior year in any major category of coverage. In addition, insurance settlements have not exceeded insurance coverage during any of the past three fiscal years.

GRANTS/RESTRICTED ASSETS

The District received two grants in the fiscal year, which totaled \$37,000. Of this amount, \$35,000 was received in the current year, but was not used in the current year. This amount, plus the prior year OSFM Capacity Grant carryover, is shown as Restricted Fund Balance on the Statement of Net Position-Cash Basis and will be used in the following years.

Restricted Assets 2024-25

OSFM Wildfire Season Staffing 2024-25	\$ 35,000
OSFM Capacity Grant	<u>312,253</u>
	<u>\$ 347,253</u>

PROPERTY TAX LIMITATION

The State of Oregon has a constitutional limit on property taxes for governmental operations. Under the limitation, tax revenue is separated into those for public schools and those for local governments other than public schools. The limitation specifies a maximum rate for all local government operations of \$10.00 per \$1,000 of real market value, while schools are similarly limited to a \$5.00 maximum rate.

Local government taxes in the District currently do not exceed the \$10.00 limit; however, this limitation may affect the availability of future tax revenues for the District.

In May 1997, voters approved Measure 50 which rolled back assessed property value to 90% of 1995-96 and limits future increases of taxable assessed values to 3% per year, except for major improvements. Tax rates are now fixed and not subject to change. Voters may approve local initiatives above the fixed rate.

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

4. OTHER INFORMATION (Continued)

PROPERTY TAX LIMITATION(Continued)

In June 2019, the voters approved a five-year levy beginning in the 2021-2022 tax year. The Levy is for funding of general operations imposing \$.36 per \$1,000 of assessed value. The new levy will raise approximately \$93,951 in 2021-2022; \$96,769 in 2022-2023; \$99,672 in 2023-2024; \$102,662 in 2024-2025 and \$105,742 in 2025-2026 for a total over five years of \$498,796.

SUBSEQUENT EVENTS

The District has evaluated subsequent events through August 29, 2024. August 29, 2024, is the same date as the report which is based upon the completion of the Management's Discussion and Analysis section of the financial statements. The report was available to be issued on September 9, 2024.

SUPPLEMENTARY INFORMATION

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
Notes to Budgetary Comparison Schedules
June 30, 2024

Annual budgets for all funds are adopted on a basis consistent with Oregon Revised Statutes (ORS 294 – Local Budget Law). The process under which the budget is adopted is described in the following paragraphs.

Each March, the budget officer (appointed by the Board of Directors), submits a proposed budget to the Budget Committee (consisting of the Board of Directors and an equal number of citizens of the District). The District is required to budget all funds. The District's budget is prepared for each fund on the cash basis of accounting. For all fund types, inter-fund loans are budgeted as sources and uses in accordance with state budget laws. Estimated receipts and disbursements are budgeted for by fund and object. Information on the past two years' actual receipts and disbursements and current-year estimates are included in the budget document.

The Budget Committee conducts public hearings for the purpose of obtaining citizens' comments, then approves a budget and submits it to the District Board for final adoption. The approved expenditures for each fund may not be increased by more than 10% by the Board without returning to the Budget Committee for a second approval.

The Board legally adopts the budget by resolution before July 1. The resolution establishes appropriations for each fund and disbursements cannot legally exceed these appropriations. The level of control established by the resolution for each fund is at the object group level (i.e. personal services, materials and services, capital outlay, debt service, interfund transfers, and contingency). Appropriations lapse at the end of the fiscal year.

The District may change the budget throughout the year by transferring appropriations between levels of control and by adopting supplemental budgets as authorized by Oregon Revised Statutes. Unexpected additional resources may be added to the budget through the use of a supplemental budget. A supplemental budget requires public hearings, publication in newspapers and approval by the District Board. Disbursement appropriations may not be legally over-expended except in the case of grant receipts that could not be reasonably estimated at the time the budget was adopted, and for debt service on new debt issues during the budget year. Management may transfer budget amounts between individual line items within the object group, but cannot make changes to the object groups themselves, which is the legal level of control.

The District's Board of Directors made changes to the current year's budget through the resolution process.

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
General Fund
Budgetary Comparison Schedule – Cash Basis
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
RECEIPTS				
District property taxes				
Current year's levy	\$ 445,100	\$ 445,100	\$ 452,360	\$ 7,260
Prior year's levy	25,500	25,500	9,279	(16,221)
Total taxes	<u>470,600</u>	<u>470,600</u>	<u>461,639</u>	<u>(8,961)</u>
Earnings on investments	9,500	9,500	39,679	30,179
Grants	7,000	7,000	37,000	30,000
Miscellaneous	500	500	1,552	1,052
Total receipts	<u>487,600</u>	<u>487,600</u>	<u>539,870</u>	<u>52,270</u>
DISBURSEMENTS				
Fire suppression				
Current				
Personnel services	345,046	345,046	326,706	18,340
Materials and services	239,500	248,056	217,104	30,952
Capital outlay	56,750	56,750	54,243	2,507
Total disbursements	<u>641,296</u>	<u>649,852</u>	<u>598,053</u>	<u>51,799</u>
Excess (deficiency) of receipts over disbursements	<u>(153,696)</u>	<u>(162,252)</u>	<u>(58,183)</u>	<u>104,069</u>
OTHER FINANCING SOURCES (USES)				
Sale of surplus property	-	-	5,500	5,500
Transfer out	(40,000)	(40,000)	(40,000)	-
Operating contingency	(50,000)	(41,444)	-	41,444
Total other financing sources (uses)	<u>(90,000)</u>	<u>(81,444)</u>	<u>(34,500)</u>	<u>46,944</u>
Net changes in fund balances-- cash basis	(243,696)	(243,696)	(92,683)	151,013
FUND BALANCES--CASH BASIS				
Beginning of the year	<u>782,906</u>	<u>782,906</u>	<u>851,539</u>	<u>68,633</u>
End of the year	<u>\$ 539,210</u>	<u>\$ 539,210</u>	<u>\$ 758,856</u>	<u>\$ 219,646</u>

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
Capital Projects Fund
Budgetary Comparison Schedule – Cash Basis
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
DISBURSEMENTS				
Fire suppression				
Apparatus and equipment	\$ -	\$ -	\$ -	\$ -
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	40,000	40,000	40,000	-
Total other financing sources (uses)	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>
Net changes in fund balances-- cash basis	40,000	40,000	40,000	-
FUND BALANCES--CASH BASIS				
Beginning of the year	<u>5,500</u>	<u>5,500</u>	<u>21,140</u>	<u>15,640</u>
End of the year	<u>\$ 45,500</u>	<u>\$ 45,500</u>	<u>\$ 61,140</u>	<u>\$ 15,640</u>

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
General Fund
Detail to Budgetary Comparison Schedule – Cash Basis
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
DISBURSEMENTS				
PERSONNEL SERVICES				
Fire chief	\$ 76,100	\$ 76,100	\$ 76,100	\$ -
Line staff	109,889	109,889	109,916	(27)
Part-time firefighter	46,200	46,200	39,499	6,701
Social Security	15,000	15,000	17,252	(2,252)
Workers' compensation	9,600	9,600	3,908	5,692
PERS	34,000	34,000	28,547	5,453
Health insurance	52,457	52,457	49,240	3,217
Unemployment insurance	1,800	1,800	2,244	(444)
Total personnel services	<u>\$ 345,046</u>	<u>\$ 345,046</u>	<u>\$ 326,706</u>	<u>\$ 18,340</u>

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
General Fund
Detail to Budgetary Comparison Schedule – Cash Basis
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance With</u> <u>Final Budget</u> <u>Favorable</u> <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
MATERIALS AND SERVICES				
Fuel	\$ 12,000	\$ 12,000	\$ 8,261	\$ 3,739
Vehicle repair and maintenance	24,000	30,669	30,669	-
Building repair and maintenance	8,000	8,000	8,312	(312)
Radio repair and maintenance	-	-	300	(300)
Station supplies	2,500	2,500	2,208	292
SCBA repair and maintenance	4,000	4,000	1,704	2,296
Tools, apparatus and station	3,000	3,000	1,308	1,692
Training	10,000	10,000	9,389	611
Office supplies	2,000	2,000	3,263	(1,263)
Dispatch contract (SORC)	27,000	27,000	26,013	987
Firefighter miscellaneous supplies	4,000	4,000	423	3,577
Fire prevention and public	2,000	2,000	2,174	(174)
Insurance	17,000	18,887	18,887	-
Election/legal	3,500	3,500	2,467	1,033
Accounting	10,700	10,700	10,680	20
Audit / Review	10,700	10,700	11,200	(500)
EMS supplies and fees	6,000	6,000	5,347	653
Health and safety	3,500	3,500	3,728	(228)
Volunteer recognition	10,000	10,000	5,261	4,739
Membership dues	2,600	2,600	2,725	(125)
Computer upgrade	2,000	2,000	1,037	963
Office equipment	1,500	1,500	80	1,420
Volunteer fuel reimbursement	10,000	10,000	2,580	7,420
Volunteer uniforms	7,000	7,000	6,326	674
Student program	36,000	36,000	34,589	1,411
Higher education	3,000	3,000	1,744	1,256
Utilities	16,500	16,500	16,429	71
Grant writing	1,000	1,000	-	1,000
Total materials and services	\$ 239,500	\$ 248,056	\$ 217,104	\$ 30,952

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
General Fund
Detail to Budgetary Comparison Schedule – Cash Basis
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
CAPITAL OUTLAY				
Apparatus and equipment	\$ 46,250	\$ 46,250	\$ 46,395	\$ (145)
Capital improvements	10,500	10,500	7,848	2,652
Total capital outlay	<u>56,750</u>	<u>56,750</u>	<u>54,243</u>	<u>2,507</u>
Total disbursements	<u>\$ 641,296</u>	<u>\$ 649,852</u>	<u>\$ 598,053</u>	<u>\$ 51,799</u>

RICHARD W. BREWSTER, CPA, PC

CERTIFIED PUBLIC ACCOUNTANT

670 SUPERIOR COURT, # 106
MEDFORD, OREGON 97504
(541) 773-1885 • FAX (541) 770-1430
www.rwbrewstercpa.com

Independent Auditor's Report Required by Oregon State Regulations

Board of Directors
Evans Valley Rural Fire
Protection District No. 6
8677 East Evans Creek Road
Rogue River, OR 97537

I have audited the basic financial statements of the Evans Valley Rural Fire Protection District No 6 as of and for the year ended June 30, 2024, and have issued my report thereon August 29, 2024. I conducted my audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the Evans Valley Rural Fire Protection District No. 6's financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion.

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

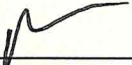
- **Deposit of public funds with financial institutions (ORS Chapter 295).**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Authorized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

In connection with my testing, nothing came to my attention that caused me to believe the Evans Valley Rural Fire Protection District No. 6 was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-10-0230 Internal Control

In planning and performing my audit, I considered the Evans Valley Rural Fire Protection District No.6's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Evans Valley Rural Fire Protection District No.6's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the District's internal control over financial reporting.

This report is intended solely for the information and use of the Board of Directors and Management of Evans Valley Rural Fire Protection District No. 6 and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.



Richard W. Brewster
Certified Public Accountant

August 29, 2024

