

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

AUDIT REPORT

For the Year Ended

June 30, 2021

RICHARD W. BREWSTER, CPA, PC

CERTIFIED PUBLIC ACCOUNTANT
MEDFORD

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6

June 30, 2021

ELECTED BOARD OF DIRECTORS

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>	<u>Address</u>
Larry Tuttle Chairperson	3	06/30/21	7128 East Evans Creek Road Rogue River, OR 97537
Dennis Feeley Vice Chairperson	2	06/30/21	P.O. Box 755 Rogue River, OR 97537
Kathryn Henning Secretary/Treasurer	4	06/30/23	1810 Queens Branch Road Rogue River, OR 97537
Dale Ten Broeck Director	1	06/30/23	1844 Queens Branch Road Rogue River, OR 97537
Patricia Ott Director	5	06/30/25	11450 E. Evans Creek Road Rogue River, OR 97537

LEGAL COUNSEL

Speer/Hoyt LLC Attorney At Law	975 Oak Street, Suite 700 Eugene, OR 97401
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REGISTERED AGENT AND FIRE CHIEF

Travis Crume	8677 East Evans Creek Road Rogue River, OR 97537
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REGISTERED OFFICE

Evans Valley Rural Fire Protection District No. 6	8677 East Evans Creek Road Rogue River, OR 97537
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EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
For the Year Ended June 30, 2021

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FINANCIAL SECTION

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
Management's Discussion and Analysis
For the Year Ended June 30, 2021
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, 2021, 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 and the Statement of Activities.

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 and the Statement of Receipts, Disbursements, and Changes in Fund Balances.

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, details to budgetary comparison schedules and property tax transactions schedule. 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, 2021
 Unaudited

2. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Government-Wide Financial Statements

A condensed version of the Statement of Net Position at June 30, 2021 and 2020 follows:

Table 1
Net Position - Cash Basis

	Governmental Activities		Percentage Change
	2021	2020	
Cash and investments	\$ 312,443	\$ 303,186	3.05 %
Total assets	312,443	303,186	3.05
Net Position			
Unrestricted	312,443	303,186	3.05
Total net position	\$ 312,443	\$ 303,186	3.05

See note for table 2.

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
Management's Discussion and Analysis
For the Year Ended June 30, 2021
 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, 2021 and 2020 follows.

Table 2
Changes in Net Position - Cash Basis

	Governmental Activities		
	2021	2020	Percentage Change
Receipts			
Property taxes	\$ 423,636	\$ 392,786	7.85 %
Earnings on investments	3,039	7,848	(61.28)
Contributions	50	5,203	(99.04)
Grant income	176,329	23,595	647.32
Sale of surplus property	10,000	-	100.00
Miscellaneous	22,346	125	17,776.80
Total receipts	635,400	429,557	47.92
Disbursements			
Fire suppression	626,143	445,101	40.67
Total disbursements	626,143	445,101	40.67
Changes in net position--cash basis	9,257	(15,544)	(159.55)
Net position			
Beginning net position--cash basis	303,186	318,730	(4.88)
Ending net position--cash basis	\$ 312,443	\$ 303,186	3.05

Property tax receipts increase of 7.85 % is consistent with the statutory allowed assessment increase, property sales re-assessment, plus new construction.

In May of 2020, the voters approved renewal of the 5 Year Local Option Tax Levy. This year's receipts include amounts collected for the Levy, which started Nov 15, 2021. This Levy maintains the current level of service, including costs of the Student Program, funding for updated firefighter equipment, facilities maintenance, and day-to-day operating costs.

Interest rates (now at 0.6 %) paid by the Oregon State Treasury Account are steadily decreasing. There was \$50 of contributions received from the public.

Total Grant income of \$176,329 received included: \$82,933 from Cares Act for 2 LifePak 15s and N95 masks; \$2,500 from Oregon Fire Chiefs Assoc for workout equipment; \$66,207 from FEMA for SCBAs; \$1,795 from May Ellis Park Trust for Heat imaging Camera; \$7,925 from Chaney Family Foundation for Turnouts (firefighting PPE), and \$14,969 from State of Oregon for portable radios.

Sale of surplus property shows \$10,000 received for the sale of the old engine 6607.

Miscellaneous income shows \$45 in sales of address signs; \$14,663 from the state of Oregon for conflagration pay; and \$7,638 reimbursement for firefighter's payroll during conflagration.

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, 2021
 Unaudited

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

Costs for Personnel Services increased by 12.2 %: This was a result of salary increases, a significant increase in Health Insurance and workman's compensation insurance, as well as the extra wages needed for full staff coverage during the summer. Chief Crume and Training Officer Davidson are both in PERS' OPSRP plan, so the Department's employer share for them is 2.95% of wages.

Expenditures in the Materials and Services category decreased by 3.7 %. ~\$9300 was spent on Vehicles Repairs. Building Maintenance and Repair costs includes ~\$2300 for electrical work on the Old Station, ~\$850 for generator annual service, \$700 for weed abatement, and ~\$3100 for new sleeping quarters beds. Categories which reflect training and volunteer activities – Training, Firefighter Misc. Supplies, Health and Safety, Volunteer Recognition and Fuel Reimbursement, and Uniforms – have decreased by ~\$1700, and reflect a continued pattern of providing attractive volunteer and training programs at the Department. This year, the Department spent ~\$2100 to upgrade our computers and wireless access. The Student Program spent ~\$19800 and continues to be a robust and positive component of the Station staffing. The new category of Higher Education provided college tuition for Training Officer Davidson. Other large dollar categories include; ~\$23800 for Dispatch Service, ~\$11800 for auto, building, and liability insurance.

There were no Debt Service costs.

Capital Outlay expenditures from the General Fund details the spending of the monies received from the various Grants mentioned earlier. Other Capital Outlay expenditures includes, ~\$12800 for a mask fitter, ~\$7000 for RIT packs, ~\$31300 to upgrade the pumping capability at the Pump House, and ~\$5400 to set up firefighter's workout equipment in the Old Station.

2020 - 2021 Fire Suppression costs reflect the changes and spending mentioned above for Personnel Services, Materials & Services, and Capital Outlay. The overall increase reflects the spending of the Grant monies received.

3. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The total changes in fund balance for the years ended June 30, 2021 and 2020 follows:

Table 3
Changes in Fund Balances

	2021	2020	Change 2020-2021
General Fund	\$ 260,491	\$ 270,734	\$ (10,243)
Capital Projects Fund	51,952	32,452	19,500
Total fund balances	\$ 312,443	\$ 303,186	\$ 9,257

See comment for Table 2: re: property tax receipts and overall disbursements.

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
Management's Discussion and Analysis
For the Year Ended June 30, 2021
 Unaudited

3. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (Continued)

The total fund balance at June 30, 2021 reflects a budget aimed at maintaining the ending un-appropriated funds as recommended by our auditor. The Un-appropriated 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.

4. BUDGETARY HIGHLIGHTS

The District made the following budgetary changes during the fiscal year ending June 30, 2021:

Table 4
Budgetary Changes - General Fund

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Change</u>
Personnel services	\$ 229,500	\$ 231,928	\$ 2,428
Materials and services	202,330	203,516	1,186
Capital outlay	155,000	266,458	111,458
Contingency	20,000	14,163	(5,837)
Transfer Out	19,500	19,500	-
 Total disbursements	 <u>\$ 626,330</u>	 <u>\$ 735,565</u>	 <u>\$ 109,235</u>

Highlights of the resolutions made by the Board of Directors during the year:

- To adopt the 2020 – 2021 Budget
- To allow the expenditure of the CARES Act funds for COVID related costs for purchase of 2 LifePak 15s, thermometers, and N95 masks.
- To transfer funds from Operating Contingency to cover overtime wages paid during the conflagration and to cover 50% of Wild-land gear purchased with grant monies.
- To transfer funds from Capital Outlay to allow expenditure of grant funds received from the Chaney Family Foundation, the State of Oregon Dept of Forestry, and the State of Oregon WUI grant. These grant monies provided for the purchase of portable radios, firefighting PPE, and wild-land gear.

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
Management's Discussion and Analysis
For the Year Ended June 30, 2021
 Unaudited

A condensed version of the General Fund Budgetary Comparison Schedule for the year ended June 30, 2021 follows:

Budgetary Comparison Schedule

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
Receipts	\$ 640,235	\$ 625,400	\$ (14,835)
Disbursements			
Personnel services	231,928	218,599	13,329
Materials and services	203,516	155,940	47,576
Capital outlay	<u>266,458</u>	<u>251,604</u>	<u>14,854</u>
Total disbursements	<u>701,902</u>	<u>626,143</u>	<u>75,759</u>
Other financing sources and (uses)	<u>(33,663)</u>	<u>(9,500)</u>	<u>24,163</u>
Change in Fund Balances	<u>\$ (95,330)</u>	<u>\$ (10,243)</u>	<u>\$ 85,087</u>

Actual receipts were greater than budgeted, as discussed. Disbursements fell below the budgeted amounts. The Department has no debt, and hence, no Debt Service expenses.

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
Management's Discussion and Analysis
For the Year Ended June 30, 2021
Unaudited

5. CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District uses the cash basis of accounting and therefore 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, 2021.

6. ECONOMIC FACTORS

See comment for Table 2 regarding the increase in total property tax receipts. 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 #6
8677 East Evans Creek Road
Rogue River, OR 97537
541-582-0678
Fire Chief, Travis Crume

RICHARD W. BREWSTER, CPA, PC

CERTIFIED PUBLIC ACCOUNTANT

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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 Financial Statements

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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash-basis of accounting described in Note 1. This includes determining that the cash-basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's Responsibility

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

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 each major fund of the Evans Valley Rural Fire Protection District No 6, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with the cash-basis of accounting described in Note 1.

Basis of Accounting

I draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash-basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. My opinions are not modified with respect to this matter.

Report on Supplementary and Other Information

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

The supplementary information, as listed in the table of contents, 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 my opinion, the supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

The management's discussion and analysis, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, I do not express an opinion or provide any assurance on such information.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, I have also issued my report dated November 5, 2021, 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

November 5, 2021

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, 2021

	<u>General</u>	<u>Capital Projects</u>	<u>Total General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Assets					
Cash and cash equivalents	\$ 260,491	\$ 51,952	\$ 312,443	\$ -	\$ 312,443
Total assets	<u>\$ 260,491</u>	<u>\$ 51,952</u>	<u>\$ 312,443</u>	-	<u>312,443</u>
Fund Balance/Net Position					
Assigned	\$ -	\$ 51,952	\$ 51,952	(51,952)	-
Unassigned	260,491	-	260,491	(260,491)	-
Total fund balances	<u>\$ 260,491</u>	<u>\$ 51,952</u>	<u>\$ 312,443</u>	<u>(312,443)</u>	<u>-</u>
Net Position					
Unrestricted				312,443	312,443
Total net position				<u>\$ 312,443</u>	<u>\$ 312,443</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, 2021

	General	Capital Projects Fund	Total General Fund	Adjustments	Statement of Activities
RECEIPTS					
Property taxes	\$ 423,636	\$ -	\$ 423,636	\$ -	\$ 423,636
Earnings on investments	3,039	-	3,039	-	3,039
Contributions	50	-	50	-	50
Grants	176,329	-	176,329	-	176,329
Gain on sale of surplus property	-	-	-	10,000	10,000
Miscellaneous	22,346	-	22,346	-	22,346
Total receipts	<u>625,400</u>	<u>-</u>	<u>625,400</u>	<u>10,000</u>	<u>635,400</u>
DISBURSEMENTS					
Fire suppression					
Current					
Personnel services	218,599	-	218,599	-	218,599
Materials and services	155,940	-	155,940	-	155,940
Capital outlay	251,604	-	251,604	-	251,604
Total disbursements	<u>626,143</u>	<u>-</u>	<u>626,143</u>	<u>-</u>	<u>626,143</u>
Excess (deficiency) of receipts over disbursements	<u>(743)</u>	<u>-</u>	<u>(743)</u>		
OTHER FINANCING SOURCES (USES)					
Gain on sale of surplus property	10,000	-	10,000	(10,000)	-
Transfers In (Out)	<u>(19,500)</u>	<u>19,500</u>	<u>-</u>	<u>-</u>	
Total other financing sources (uses)	<u>(9,500)</u>	<u>19,500</u>	<u>10,000</u>	<u>(10,000)</u>	
Net changes in fund balances-- cash basis	(10,243)	19,500	9,257	(9,257)	
Change in net position-- cash basis				9,257	9,257
FUND BALANCE--CASH BASIS/ NET POSITION--CASH BASIS					
Beginning of the year	270,734	32,452	303,186	-	303,186
End of the year	<u>\$ 260,491</u>	<u>\$ 51,952</u>	<u>\$ 312,443</u>	<u>\$ -</u>	<u>\$ 312,443</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, 2021

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 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 most of the 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 revenues are property taxes, charges for services, and earnings on investments. Primary expenditures 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 revenue 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, 2021

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, 2021

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

District employees receive two weeks of paid vacation per fiscal year and accrue eight hours of sick time per month. Vacation must be taken within the fiscal year, as it does not carry over to the following fiscal year end. Sick time is accumulated up to a total of 320 hours. Sick leave is not paid upon termination of employment. Vacation and sick disbursements are charged to personnel services when taken by the employee.

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, 2021

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:

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.

Assigned fund balance comprises amounts intended to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at minimum, intended to be used for the purpose of that fund. The assigned fund balance is from the District's budget which is approved by the Board.

Government-wide Statements

Equity is classified as Net Position, which represents the difference between assets, liabilities and deferred accounts. 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, 2021

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 expenditures cannot legally exceed 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 at June 30, 2021:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Financial Institutions	\$ 12,087	\$ -	\$ 12,087
State of Oregon Local Government Pool	248,404	51,952	300,356
	<u>\$ 260,491</u>	<u>\$ 51,952</u>	<u>\$ 312,443</u>
Total cash and equivalents	\$ 260,491	\$ 51,952	\$ 312,443

The combined total bank balance at June 30, 2021 was \$343,154. The District's demand deposits are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC) and the National Credit Union Administration (NCUA). When deposits exceed the \$250,000 limit, they are secured in accordance with Oregon Revised Statutes 295 under Oregon Public Funds Collateralized Program. 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.

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.

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

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

Investments (Continued)

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 Security of State Office audits the Pool annually. The Division's report on the Pool as of the year ended June 30, 2020, was unqualified.

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, 2021, the District had no long-term debt outstanding.

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/Documents/financials/cafr/2020-CAFR.pdf>

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

4. OTHER INFORMATION (Continued)

DEFINED BENEFIT PENSION PLAN (Continued)

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.

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.

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

4. OTHER INFORMATION

DEFINED BENEFIT PENSION PLAN (Continued)

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.

Under Senate Bill 1049, passed in 2019 legislative session, the salary included in the determination of final average salary will be limited for all member 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.

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

4. OTHER INFORMATION (Continued)

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.

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.

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

4. OTHER INFORMATION (Continued)

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, 2018, actuarial valuation, which became effective July 1, 2019. Employer contributions for the year ended June 30, 2021, were \$3,713, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2021 were 11.44 percent for Tier One/Tier Two General Service Member, zero for OPSRP Pension Program General Service Members, and 3.13 percent for OPSRP police and fire. The rates in effect for the fiscal year July 1, 2021 through June 30, 2023 are 12.22 percent for Tier One/Tier Two Police and Fire, 5.69 percent for OPSRP Pension Program General Service Members, 10.05 percent for OPSRP Pension Program Police and Fire Members, and 6 percent for OPSRP Individual Account Program.

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 members 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 Statue (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.

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

4. OTHER INFORMATION (Continued)

OTHER POST-EMPLOYMENT HEALTH BENEFITS (OPEB) (Continued)

Retirement Health Insurance Account (RHIA)

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.

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, 2021, PERS employers contributed .06 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, 2018 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 43,797 for the fiscal year ended June 30, 2021, and there were 47,611 active and 13,044 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/documents/financials/CAFR/2020-CAFR.pdf>

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

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

4. OTHER INFORMATION (Continued)

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.

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, 2021.

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

4. OTHER INFORMATION (Continued)

RISK MANAGEMENT

The District is exposed to various risk 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.

COMMITMENTS

During the year ended June 30, 2021, the District approved an emergency communications contract covering the year ending June 30, 2022. The amount of the contract is \$24,520 which requires quarterly payments of \$6,130.

GRANTS

The District obtained six grants for capital outlay purchases totaling \$176,329.

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.

In November 2014, the voters approved a five-year tax levy beginning in the 2016-2017 tax year. The Levy is for funding of general operations imposing \$.36 per \$1,000 of assessed value. The current levy will raise approximately \$76,440 in 2017-2018; \$78,519 in 2018-2019; \$80,600 in 2019-2020; \$82,550 in 2020-2021.

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.

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

4. OTHER INFORMATION (Continued)

SUBSEQUENT EVENTS

The District has evaluated subsequent events through November 5, 2021. November 5, 2021 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 November 15, 2021.

SUPPLEMENTARY INFORMATION

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
Notes to Budgetary Comparison Schedules
June 30, 2021

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 created a supplementary budget in June of 2021. The supplementary budget authorized the increase of revenue summary line item #5005, "Other/Contract Fees/Grants", from \$177,933.26 to \$204,235.26; increase "Capital Outlay-Turn-Outs & Brush Gear" #5306 from \$15,000 to \$22,925; increase "Capital Outlay-EMS Pages & Portable Radios" #5303 from 0 to \$14,968.50; and to increase "Capital Outlay-Hose, Nozzles, & Appliances" #5309 from 0 to \$3,408.50.

The District made Resolution 20-06 to authorize the increase of revenue summary line item #5005, "Other/Contract Fees/Grants", from \$95,000 to \$177,933.26; increase "Capital Outlay-Apparatus & Equipment" from \$95,000 to \$176,747.36; increase "Materials and Services-EMS Supplies & Fees" #5219 from \$5,500 to \$5,696; and increase "Materials and Services -Health & Safety" #5220 from \$3,000 to \$3,989.90.

The District made Resolution 21-01 to authorize the transfer of \$2,427.75 from account 5401 "Operating contingency", for a total of \$2,427.75 to account 5102 "Captain".

The District made Resolution 21-02 to authorize the transfer of \$3,408.50 from account 5401 "Operating contingency", for a total of \$3,408.50 to account 5309 "Hoses, Nozzles, & Appliances".

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
General Fund
Budgetary Comparison Schedule – Cash Basis
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
RECEIPTS				
District property taxes				
Current year's levy	\$ 415,000	\$ 415,000	\$ 400,635	\$ (14,365)
Prior year's levy	13,000	13,000	23,001	10,001
Total taxes	<u>428,000</u>	<u>428,000</u>	<u>423,636</u>	<u>(4,364)</u>
Earnings on investments	8,000	8,000	3,039	(4,961)
Grants	95,000	204,235	176,329	(27,906)
Contributions	-	-	50	50
Miscellaneous	-	-	22,346	22,346
Total receipts	<u>531,000</u>	<u>640,235</u>	<u>625,400</u>	<u>(14,835)</u>
DISBURSEMENTS				
Fire suppression				
Current				
Personnel services	229,500	231,928	218,599	13,329
Materials and services	202,330	203,516	155,940	47,576
Capital outlay	155,000	266,458	251,604	14,854
Total disbursements	<u>586,830</u>	<u>701,902</u>	<u>626,143</u>	<u>75,759</u>
Excess (deficiency) of receipts over disbursements	<u>(55,830)</u>	<u>(61,667)</u>	<u>(743)</u>	<u>60,924</u>
OTHER FINANCING SOURCES (USES)				
Sale of surplus property	-	-	10,000	10,000
Transfer out	(19,500)	(19,500)	(19,500)	-
Operating Contingency	(20,000)	(14,163)	-	14,163
Total other financing sources (uses)	<u>(39,500)</u>	<u>(33,663)</u>	<u>(9,500)</u>	<u>24,163</u>
Net changes in fund balances-- cash basis	(95,330)	(95,330)	(10,243)	85,087
FUND BALANCES--CASH BASIS				
Beginning of the year	250,000	250,000	270,734	20,734
End of the year	<u>\$ 154,670</u>	<u>\$ 154,670</u>	<u>\$ 260,491</u>	<u>\$ 105,821</u>

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
Capital Projects Fund
Budgetary Comparison Schedule – Cash Basis
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
RECEIPTS				
District property taxes				
Prior year's levy	\$ -	\$ -	\$ -	\$ -
Total taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DISBURSEMENTS				
Fire suppression				
Apparatus and Equipment	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	19,500	19,500	19,500	-
Total other financing sources (uses)	<u>19,500</u>	<u>19,500</u>	<u>19,500</u>	<u>-</u>
Net changes in fund balances-- cash basis	19,500	19,500	19,500	-
FUND BALANCES--CASH BASIS				
Beginning of the year	30,500	30,500	32,452	1,952
End of the year	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 51,952</u>	<u>\$ 1,952</u>

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
General Fund
Detail to Budgetary Comparison Schedule – Cash Basis
For the Year Ended June 30, 2021

	<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	\$ 66,500	\$ 66,500	\$ 66,500	\$ -
Captain	49,700	52,128	52,128	-
Part-time firefighter	38,000	38,000	26,443	11,557
Social Security	10,000	10,000	9,817	183
Workers' compensation	7,900	7,900	6,390	1,510
PERS	3,800	3,800	3,713	87
Health insurance	52,500	52,500	52,569	(69)
Unemployment insurance	1,100	1,100	1,039	61
Total personnel services	\$ 229,500	\$ 231,928	\$ 218,599	\$ 13,329

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
General Fund
Detail to Budgetary Comparison Schedule – Cash Basis
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
MATERIALS AND SERVICES				
Fuel	\$ 6,500	\$ 6,500	\$ 5,830	\$ 670
Vehicle repair and maintenance	14,000	14,000	9,294	4,706
Building repair and maintenance	10,000	10,000	8,197	1,803
Radio repair and maintenance	2,200	2,200	531	1,669
Station supplies	1,900	1,900	1,768	132
SCBA repair and maintenance	3,000	3,000	1,262	1,738
Tools, apparatus and station	3,000	3,000	2,700	300
Training	7,500	7,500	6,588	912
Office supplies	3,000	3,000	1,599	1,401
Dispatch contract (SORC)	24,100	24,100	23,806	294
Firefighter miscellaneous supplies	4,500	4,500	1,600	2,900
Fire prevention and public	2,500	2,500	2,415	85
Insurance	13,900	13,900	11,801	2,099
Election/legal	3,000	3,000	1,817	1,183
Accounting	8,130	8,130	8,455	(325)
Audit / Review	5,800	5,800	5,900	(100)
EMS supplies and fees	5,500	5,696	4,404	1,292
Health and Safety	3,000	3,990	4,448	(458)
Volunteer recognition	6,500	6,500	3,190	3,310
Membership dues	2,300	2,300	1,907	393
Computer upgrade	1,500	1,500	2,146	(646)
Office equipment	3,000	3,000	1,103	1,897
Volunteer fuel reimbursement	4,000	4,000	2,854	1,146
Volunteer uniforms	7,500	7,500	6,566	934
Student program	38,000	38,000	19,761	18,239
Higher Education	3,000	3,000	2,779	221
Utilities	15,000	15,000	13,219	1,781
Total materials and services	\$ 202,330	\$ 203,516	\$ 155,940	\$ 47,576

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
General Fund
Detail to Budgetary Comparison Schedule – Cash Basis
For the Year Ended June 30, 2021

	<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	\$ 110,000	\$ 221,458	\$ 214,815	\$ 6,643
Capital improvements	<u>45,000</u>	<u>45,000</u>	<u>36,789</u>	<u>8,211</u>
Total capital outlay	<u>155,000</u>	<u>266,458</u>	<u>251,604</u>	<u>14,854</u>
Total disbursements	<u>\$ 586,830</u>	<u>\$ 701,902</u>	<u>\$ 626,143</u>	<u>\$ 75,759</u>

EVANS VALLEY RURAL FIRE PROTECTION DISTRICT NO. 6
Schedule of Property Tax Transactions
For the Year Ended June 30, 2021

<u>Fiscal Years</u>	<u>Property Taxes Receivable July 1, 2020</u>	<u>Levy as Extended By Assessor</u>	<u>Add (Deduct) Discounts Allowed</u>	<u>Add Interest</u>	<u>Add (Deduct) Adjustments</u>	<u>Deduct Collections</u>	<u>Property Taxes Receivable June 30, 2021</u>
GENERAL FUND - PERMANENT TAX AND LOCAL OPTION							
20-21	\$ -	\$ 425,246	\$ (11,216)	\$ 33	\$ (3,468)	\$ 400,635	\$ 9,960
Prior	26,835	-	-	2,164	2,586	23,001	8,584
Total	<u>\$ 26,835</u>	<u>\$ 425,246</u>	<u>\$ (11,216)</u>	<u>\$ 2,197</u>	<u>\$ (882)</u>	<u>\$ 423,636</u>	<u>\$ 18,544</u>

RICHARD W. BREWSTER, CPA, PC

CERTIFIED PUBLIC ACCOUNTANT

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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, 2021, and have issued my report thereon November 5, 2021. 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 opinion 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

November 5, 2021

