

JACKSON COUNTY FIRE DISTRICT NO. 4

AUDIT REPORT

For the Year Ended

June 30, 2021

RICHARD W. BREWSTER, CPA, PC

CERTIFIED PUBLIC ACCOUNTANT
MEDFORD

JACKSON COUNTY FIRE DISTRICT NO. 4

June 30, 2021

ELECTED BOARD OF DIRECTORS

<u>Name</u>	<u>Position Number</u>	<u>Term Expires</u>	<u>Address</u>
William D. Littlefield President	4	06/30/23	PO Box 1125 Shady Cove, OR 97539
Linda Hughes Vice-President	3	06/30/21	PO Box 192 Shady Cove, OR 97539
Mike Krutsch Secretary/Treasurer	5	06/30/23	PO Box 54 Trail, OR 97541
Rick Wythe Director	2	06/30/21	3993 Rogue River Drive Eagle Point, OR 97524
Richard Higgs Director	1	06/30/23	215 Madrone Lane Shady Cove, OR 97539

LEGAL COUNSEL

Martial Henault Attorney At Law	1730 E. McAndrews Medford, OR 97504
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REGISTERED AGENT AND FIRE CHIEF

Greg Winfrey Fire Chief	PO Box 1400 Shady Cove, OR 97539
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REGISTERED OFFICE

21200 Highway 62
Shady Cove, OR 97539

JACKSON COUNTY FIRE DISTRICT NO. 4
For the Year Ended June 30, 2021

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FINANCIAL SECTION

JACKSON COUNTY FIRE DISTRICT NO. 4
Management's Discussion and Analysis
For the Year Ended June 30, 2021
Unaudited

This discussion and analysis of Jackson County Fire District No. 4's financial performance provides an overview of the District's financial activities for the fiscal 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 financial statements.

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

Government-wide financial statements provide information about the activities of the District government-wide (or "as a whole"). These two statements are the Statement of Net Position – Cash Basis and the Statement of Activities – Cash Basis.

Fund financial statements focus on 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, details to budgetary comparison schedules, and property tax transactions schedule. This supplemental financial information is provided to address certain specific needs of various users of the District's annual report.

JACKSON COUNTY FIRE DISTRICT NO. 4
Management's Discussion and Analysis
For the Year Ended June 30, 2021

2. DISTRICT AS A WHOLE

Government-Wide Financial Statements

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

Table 1
Net Position—Cash Basis

	<u>Governmental Activities</u>		<u>Total</u>
	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>Percentage</u> <u>Change</u> <u>2020-2021</u>
ASSETS			
Cash and cash equivalents	\$ 1,294,021	\$ 988,793	30.87 %
Total assets	<u>\$ 1,294,021</u>	<u>\$ 988,793</u>	30.87
NET POSITION - CASH BASIS			
Unrestricted	\$ 1,294,021	\$ 988,793	30.87
Total net position	<u>\$ 1,294,021</u>	<u>\$ 988,793</u>	30.87

Net assets increased during the 2020-21 fiscal year by \$312,315 the result of an increase in property tax revenue combined with a reduction in both materials and services and capital outlay.

JACKSON COUNTY FIRE DISTRICT NO. 4
Management's Discussion and Analysis
For the Year Ended June 30, 2021
 Unaudited

2. 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
Change in Net Position—Cash Basis

	Governmental Activities		Total
	6/30/2021	6/30/2020	Percentage
			Change
			2020-2021
Receipts			
Property taxes	\$ 1,592,089	\$ 1,491,146	6.77 %
Earnings on investments	9,272	26,544	(65.07)
Donations	23,207	2,000	1,060.35
Grant	720	171,241	(99.58)
Sale of equipment and merchandise	17,552	-	100.00
Obenchain conflagration reimbursement	34,919		100.00
Miscellaneous	2,954	376	685.64
Total receipts	<u>1,680,713</u>	<u>1,691,307</u>	(0.63)
Disbursements			
Fire suppression			
Current			
Personnel services	1,110,016	966,788	14.81
Materials and services	211,701	253,225	(16.40)
Capital Outlay	53,768	267,417	100.00
Total disbursements	<u>1,375,485</u>	<u>1,487,430</u>	(7.53)
Changes in net position	305,228	203,877	49.71
Beginning net position	988,793	784,916	25.97
Ending net position	<u>\$ 1,294,021</u>	<u>\$ 988,793</u>	30.87

Property tax receipts increased by approximately \$100,000, in part, due to increased market values and property tax assessments. Grant revenue decreased as expected. Overall, revenue exceeded the amount budgeted by roughly \$60,000.

Personnel services increased as expected due to increases in wages, health insurance, and PERS.

Materials and Services decreased due to less maintenance and repairs services for vehicles, buildings and grounds and equipment, and less overall line-item expenditures.

Capital Outlay decreased as expected. The District finished building improvements in the prior fiscal year and focused only on replacing some smaller equipment

JACKSON COUNTY FIRE DISTRICT NO. 4
Management's Discussion and Analysis
For the Year Ended June 30, 2021
 Unaudited

3. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Table 3
Changes in Fund Balances - Cash Basis

	Governmental Activities		Total
	June 30 2021	June 30 2020	Percentage
			Change
			2020-2021
Fund Balances - cash basis			
General Fund	\$ 875,829	\$ 591,833	47.99 %
Capital Projects Fund	418,192	396,960	5.35
Total Fund Balances	\$ 1,294,021	\$ 988,793	30.87

The General Fund balance increased during the 2020-21 fiscal year mainly due to the combine increase in property tax revenues and reduction of expenditures.

The Capital Projects Fund balance increased as a result of the budgeted and actual transfer of funds from the General fund during the year. The amount of \$75,000 transferred exceeded the actual amount spent on capital outlay for the fiscal year.

JACKSON COUNTY FIRE DISTRICT NO. 4
Management's Discussion and Analysis
For the Year Ended June 30, 2021
 Unaudited

4. BUDGETARY HIGHLIGHTS

The District made the following changes to the General Fund budget during the fiscal year ended June 30, 2021.

Table 4
Budgetary Changes

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Change</u>
General Fund			
Receipts	\$ 1,619,100	\$ 1,619,100	\$ -
Disbursements			
Personnel services	1,195,800	1,195,800	-
Material and services	352,300	352,300	-
Total disbursements	<u>1,548,100</u>	<u>1,548,100</u>	<u>-</u>
Other financing sources (uses)	<u>(171,000)</u>	<u>(171,000)</u>	<u>-</u>
Change in Fund Balances	<u>\$ (100,000)</u>	<u>\$ (100,000)</u>	<u>\$ -</u>

The District did not find it necessary to approve any budget resolutions for the fiscal year.

JACKSON COUNTY FIRE DISTRICT NO. 4
Management's Discussion and Analysis
For the Year Ended June 30, 2021
 Unaudited

4. BUDGETARY HIGHLIGHTS (Continued)

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

Table 5
Budget Versus Actual Differences - Cash Basis

	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Favorable (Unfavorable)
General Fund			
Receipts	\$ 1,619,100	\$ 1,680,713	\$ 61,613
Disbursements			
Personnel services	1,195,800	1,110,016	85,784
Material and services	352,300	211,701	140,599
Total disbursements	<u>1,548,100</u>	<u>1,321,717</u>	<u>226,383</u>
Other financing sources (uses)	<u>(171,000)</u>	<u>(75,000)</u>	<u>96,000</u>
Change in Fund Balances	<u>\$ (100,000)</u>	<u>\$ 283,996</u>	<u>\$ 383,996</u>

The favorable variance in the final budget compared with actual came from an increase in total receipts and the monitoring of expenditures throughout the year.

5. ECONOMIC FACTORS

The District will continue to project modest assessed valuation increases and subsequent property tax revenue. The economy within the District's jurisdictional boundaries has been growing on average around four percent per year. The service area lends more residential properties and minimal commercial business. As the District develops future budgets, it will strive to ensure spending is in line with projected revenues.

Salary and benefit costs continue to be monitored for sustainability. The District ratified a labor agreement with the Rogue Valley Professional Firefighters effective July 1, 2020 through June 30, 2023.

JACKSON COUNTY FIRE DISTRICT NO. 4
Management's Discussion and Analysis
For the Year Ended June 30, 2021
Unaudited

5. ECONOMIC FACTORS (Continued)

The District's employer contribution into the Public Employees Retirement System (PERS) decreased on July 1, 2021 from 34.13% to 27.30% for Tier 1/Tier 2 employees, and then increased from 20.21% to 22.23% for General Service, and from 24.84% to 26.59% for OPSRP Fire. This is a result of the pension system's unfunded liability and less than projected stock market returns. This change has a budgetary impact on the District, coupled with increases in health care costs. The District will need to develop future budgets to accommodate for continued rate increases, as the PERS system continues to experience volatility in funding status and rate sustainably.

6. 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 P.O. Box 1400, Shady Cove, OR, 97539.

RICHARD W. BREWSTER, CPA, PC

CERTIFIED PUBLIC ACCOUNTANT

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www.rwbrewstercpa.com

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Jackson County Fire District No. 4
P.O. Box 1400
Shady Cove, OR 97539

Report on the Financial Statements

I have audited the accompanying cash-basis financial statements of the governmental activities and each major fund of Jackson County Fire District No. 4 (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 the 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 the 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 District'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 District'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 Jackson County Fire District No. 4, as of June 30, 2021, and the respective changes in cash-basis financial position for the year then ended in conformity 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 that matter.

Report on Supplementary and Other Information

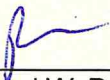
My audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise Jackson County Fire District No. 4's basic financial statements. The Management's Discussion and Analysis (MD&A), and the Supplementary Information (SI), as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The 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 information 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 issued my report dated October 15, 2021, on my consideration of Jackson County Fire District No. 4'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

October 15, 2021

BASIC FINANCIAL STATEMENTS

JACKSON COUNTY FIRE DISTRICT NO. 4
Statement of Net Position – Cash Basis and
Governmental Funds Balance Sheet – Cash Basis
June 30, 2021

	<u>General Fund</u>	<u>Capital Project Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS					
Cash and cash equivalents	\$ 875,829	\$ 418,192	\$ 1,294,021	\$ -	\$ 1,294,021
Total assets	<u>\$ 875,829</u>	<u>\$ 418,192</u>	<u>\$ 1,294,021</u>	<u>-</u>	<u>1,294,021</u>
FUND BALANCES/NET POSITION					
Fund Balances					
Committed for capital purchases	\$ -	\$ 418,192	\$ 418,192	(418,192)	-
Unassigned	<u>875,829</u>	<u>-</u>	<u>875,829</u>	<u>(875,829)</u>	<u>-</u>
Total fund balance	<u>\$ 875,829</u>	<u>\$ 418,192</u>	<u>\$ 1,294,021</u>	<u>(1,294,021)</u>	<u>-</u>
Net Position					
Unrestricted				<u>1,294,021</u>	<u>1,294,021</u>
Total net position				<u>\$ 1,294,021</u>	<u>\$ 1,294,021</u>

See notes to financial statements.

JACKSON COUNTY FIRE DISTRICT NO. 4
Statement of Activities – Cash Basis and
Governmental Fund Receipts, Disbursements, and
Changes in Fund Balances – Cash Basis
For the Year Ended June 30, 2021

	General Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
RECEIPTS					
Property taxes	\$ 1,592,089	\$ -	\$ 1,592,089	\$ -	\$ 1,592,089
Earnings on investments	9,272	-	9,272	-	9,272
Grants	720	-	720	-	720
Donations	23,207	-	23,207	-	23,207
Sale of equipment and merchandise	17,552	-	17,552	-	17,552
Obenchain conflagration reimbursement	34,919	-	34,919	-	34,919
Miscellaneous	2,954	-	2,954	-	2,954
Total receipts	1,680,713	-	1,680,713	-	1,680,713
DISBURSEMENTS					
Fire suppression					
Current					
Personnel services	1,110,016	-	1,110,016	-	1,110,016
Materials and services	211,701	-	211,701	-	211,701
Capital Outlay	-	53,768	53,768	-	53,768
Total disbursements	1,321,717	53,768	1,375,485	-	1,375,485
Excess (deficiency) of receipts over disbursements	358,996	(53,768)	305,228	-	305,228
OTHER FINANCING SOURCES (USES)					
Transfer to Capital Projects Fund	(75,000)	-	(75,000)	75,000	
Transfer from General Fund	-	75,000	75,000	(75,000)	
Total other financing sources (uses)	(75,000)	75,000	-	-	
Net change in fund balances - cash basis	283,996	21,232	305,228	(305,228)	
Change in net position - cash basis				305,228	305,228
FUND BALANCES - CASH BASIS/ NET POSITION - CASH BASIS					
Beginning of the year	591,833	396,960	988,793	-	988,793
End of the year	<u>\$ 875,829</u>	<u>\$ 418,192</u>	<u>\$ 1,294,021</u>	<u>\$ -</u>	<u>\$ 1,294,021</u>

See notes to financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

JACKSON COUNTY FIRE DISTRICT NO. 4
Notes to Financial Statements
June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

The District was formed as a result of a general election held on November 13, 1956. The District purchased the assets and assumed the liabilities of the Shady Cove-Trail Fire Department, Inc., a non-profit corporation which dissolved July 8, 1957. The District is bounded, in general, by state highway 234, west to Dodge Bridge, up the Rogue River to Elk Creek, northeast on state highway 62 through the District of Shady Cove, on to the Fish Hatchery and 2-1/2 miles up Crowfoot Road and northward on state highway 227 from state highway 62 approximately 6 miles, including the unincorporated area of Trail.

The main fire station is located in Shady Cove, Oregon. A substation, at Lost Creek Dam, is maintained jointly with the Oregon State Board of Forestry. Under the terms of the agreement with the Board of Forestry, the District provides structural fire protection for all U.S. Army Corps of Engineers buildings at the Lost Creek project.

As discussed further in Measurement Focus and Basis of Accounting, these 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) established by the Governmental Accounting Standards Board (GASB). These cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the cash basis of accounting.

BASIS OF PRESENTATION – GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position – Cash Basis and Statement of Activities – Cash Basis display information about the reporting government as a whole. They include all funds of the reporting entity. The governmental activities are generally financed through property tax revenues.

Fund financial statements of the District are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, deferred outflows, liabilities, deferred inflows, fund balance, revenues, and expenditures or expenses. An emphasis is placed on major funds within the governmental categories. A fund is considered major if it is the primary operating fund of the District, or total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type. Both of the District's funds are considered major funds.

The District has two governmental funds on a budgetary basis, the General Fund and the Capital Projects Fund. The Capital Projects Fund has transfers from the General Fund as its revenue resource. For the Government-wide Financial Statement presentation, under GASB 54, the Capital Projects Fund is collapsed and reported as part of the General Fund.

JACKSON COUNTY FIRE DISTRICT NO. 4
Notes to Financial Statements
June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF PRESENTATION - FUND FINANCIAL STATEMENTS

The following fund types are used by the District:

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 is the general operating fund of the District. It is used to account for and report all financial resources not accounted for and reported in another fund. Principal sources of receipts are property taxes, charges for services, and earnings on investments. Primary disbursements are for personnel services, materials and services, capital outlay, and debt service.

Capital Projects Fund accounts for the receipts and disbursements related to the purchase of buildings, land, and equipment. Primary receipts are provided by budgeted transfers from the General Fund.

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.

JACKSON COUNTY FIRE DISTRICT NO. 4
Notes to Financial Statements
June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. 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.

ASSETS, LIABILITIES, AND NET POSITION/FUND BALANCE

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and short-term highly liquid investments with a maturity of three months or less when purchased. Investments maintained in the Oregon Local Government 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 as a cash equivalent. See the cash equivalents note above.

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.

JACKSON COUNTY FIRE DISTRICT NO. 4
Notes to Financial Statements
June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance Flow Assumption

Sometimes the District 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 District'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 Accounting Standards Board (GASB) issued Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions," which became effective for the District beginning with the fiscal year ending June 30, 2011. The statement established five classifications for fund equity; non-spendable, restricted, committed, assigned, and unassigned. The District uses the following fund balance classifications:

Committed fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. Commitments may be changed or lifted only by the District taking the same formal action that imposed the constraint originally. Fund balances are committed by the Board of Directors via a 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.

Interfund Transactions

Interfund activity is reported as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

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 under the cash-basis of accounting.

JACKSON COUNTY FIRE DISTRICT NO. 4
Notes to Financial Statements
June 30, 2021

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

BUDGETS

See Notes to Budgetary Comparison Schedules in Supplementary Information.

EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The District did not exceeded appropriations during the year ended June 30, 2021.

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

DEPOSITS AND INVESTMENTS

Cash, cash equivalents and investments are comprised of the following at June 30, 2021:

	General Fund	Capital Projects Fund	Total
Cash in bank	\$ 56,199	\$ -	\$ 56,199
Cash in state pool	819,630	418,192	1,237,822
Total cash and cash equivalents	\$ 875,829	\$ 418,192	\$ 1,294,021

Deposits. The Governmental Accounting Standards Boards has adopted accounting principles generally accepted in the United States of America (GAAP), which include standards to categorize deposits to give an indication of the level of custodial credit risk assumed by the District at June 30, 2021. If bank deposits at year end are not entirely insured or collateralized with securities held by the District or by its agent in the District's name, the District must disclose the custodial credit risk that exists. Deposits with financial institutions are comprised of bank demand deposits. Deposits in excess of federal depository insurance are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon. The PFCP is a shared liability structure for participating bank depositories, better protecting public funds through not guaranteeing that all funds are 100% protected. For the fiscal year ended June 30, 2021, the carrying amounts of the District deposits and bank balances in various financial institutions were \$64,351. All deposits are held in the name of the District. At June 30, 2021, the District did not have any deposits that were not secured by FDIC insurance. The District's deposits were in compliance with Oregon's shared liability structure for participating bank depositories.

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 to it. The District does not have a formal deposit policy for custodial credit risk.

JACKSON COUNTY FIRE DISTRICT NO. 4
Notes to Financial Statements
June 30, 2021

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

Investments

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.

Investments. The District has invested funds in the State Treasurer's Oregon Short-term Fund Local Government Investment Pool (LGIP) during fiscal year 2021. The Oregon Short-term Fund is the LGIP for local governments and was established by the State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). Local Government Investment Pool (LGIP) is an external investment pool managed by the State Treasurer's office, which allow governments within the state to pool their funds for investment purposes. The amounts invested in the pool are not classified by risk categories because they are not evidenced by securities that exist in physical or book entry form as defined by GASB statement No. 40. LGIP is not rated.

In addition, the Oregon State Treasury LGIP distributes investment income on an amortized cost basis and participants' equity in the pool is determined by the amount of participant deposits, adjusted for withdrawals and distributed income. Accordingly, the adjustment to fair value would not represent an expendable increase in the District's cash position.

Investments in the Oregon State Treasury LGIP are made under the provisions of ORS 194.180. These funds are held in the District's name and are not subject to collateralization requirements of ORS 295.015. Investments are stated at amortized cost, which approximated fair value.

State of Oregon statutes restrict the types of investments in which the District may invest. Authorized investments include 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. As of June 30, 2021, and for the year then ended, the District was in compliance with the aforementioned State of Oregon statutes.

Credit Risk. State Statutes authorize the District to invest primarily in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, banker's acceptances, time certificate of deposits, certain commercial papers, and the State of Oregon Treasurer's Local Government Investment Pool, among others. The District has no formal investment policy that further restricts its investment choices.

Concentration of Credit Risk. The District is required to provide information about the concentration of credit risk associated with its investments in one issuer that represents 5 percent or more of the total investments, excluding investments in external investment pools or those issued and explicitly guaranteed by the U.S. Government. The District has no such investments.

Interest Rate Risk. The District has no formal investment policy that explicitly limits investment maturities as a means of managing its exposure to fair value loss arising from increasing interest rates.

JACKSON COUNTY FIRE DISTRICT NO. 4
Notes to Financial Statements
June 30, 2021

4. OTHER INFORMATION

CAPITAL ASSETS

As a result of the use of the cash basis of accounting, the tracking of fixed assets is not a required part of the financial statements, and therefore, no schedule is provided in these financial statements. During the fiscal year ending June 30, 2021, the District purchased \$53,768 worth of capital assets.

TRANSFERS

The District transferred \$75,000 to the Capital Projects Fund from the General Fund, which was budgeted during the 2020-21 fiscal year.

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.

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 rate 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 values 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.

LONG -TERM DEBT

There was no long-term debt at any time during the fiscal year.

JACKSON COUNTY FIRE DISTRICT NO. 4
Notes to Financial Statements
June 30, 2021

4. OTHER INFORMATION (Continued)

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 that can be obtained at <https://www.oregon.gov/pers/Documents/Financials/cafr/2019-cafr.pdf>

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.

JACKSON COUNTY FIRE DISTRICT NO. 4
Notes to Financial Statements
June 30, 2021

4. OTHER INFORMATION (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. Under current law, the cap on the COLA is 2.0 percent.

2. OPSRP Pension Program (OPSRP DB)

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.

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.

JACKSON COUNTY FIRE DISTRICT NO. 4

Notes to Financial Statements

June 30, 2021

4. OTHER INFORMATION (Continued)

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 the COLA increase for fiscal year 2018 and beyond was set at 2.0%.

3. OPSRP Individual Account Program (OPSRP IAP)

In the 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 pensions plans 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 OPSRP. PERS' members retain their existing 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.

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.

JACKSON COUNTY FIRE DISTRICT NO. 4
Notes to Financial Statements
June 30, 2021

4. OTHER INFORMATION (Continued)

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, 2017 actuarial. The rates based on a percentage of payroll, first became effective July 1, 2019. Employer contributions for the year ended June 30, 2021 were \$163,921, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2021 were 34.13 percent for Tier One/Tier Two General Service Member 24.84 percent for Police and Fire, 20.21 percent for OPSRP Pension Program General Service Members, and 6 percent for OPSRP Individual Account Program. These rates will change to 27.30 percent for Tier One/Tier Two General Service Member, 26.59 percent for Tier One/Tier Two Police and Fire, 22.23 percent for OPSRP Pension Program General Service Members and 6 percent for OPSRP Individual Account Program.

OTHER POSTEMPLOYMENT BENEFITS

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

JACKSON COUNTY FIRE DISTRICT NO. 4
Notes to Financial Statements
June 30, 2021

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

For the year ended June 30, 2019, PERS employers contributed .07 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 20 years. These rates were based on the December 31, 2018 actuarial valuation. The District's contributions to RHIA for the measurement period was \$36 which equaled the required contribution.

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 inactive plan RHIA participants receiving benefits was 44,208 for the fiscal year ended June 30, 2019 and there were 45,598 active and 11,347 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/2019-CAFR.pdf>

At June 30, 2021, the District did not have an OPEB liability. 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.

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.

JACKSON COUNTY FIRE DISTRICT NO. 4
Notes to Financial Statements
June 30, 2021

4. OTHER INFORMATION (Continued)

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.

COMPENSATED ABSENCES

The District's personnel policy provides full-time District employees with vacation and sick leave in varying amounts. Vacation pay may accrue up to the maximum amounts allowed by the District's personnel policy and is available after the employee has achieved regular full-time employment. Sick leave benefits provide for ordinary sick pay. Employees are eligible to receive retirement credit through PERS for accumulated unused sick leave pursuant to ORS 237.153. Vacation and sick leave disbursements are charged to personnel services when taken by the employee. Because the District uses the cash basis of accounting, no liability is recorded for accrued vacations, sick leave, and comp time. However, at June 30, 2021, the District's potential liability for each was as follows:

	6/30/2021
Vacations	\$ 40,497
Sick time	66,765
Total	\$ 107,262

MISCELLANEOUS INCOME

Miscellaneous income includes a \$34,919 reimbursement from the state for fire services provided during a fire evacuation that occurred outside of the District in September 2020.

JACKSON COUNTY FIRE DISTRICT NO. 4
Notes to Financial Statements
June 30, 2021

4. OTHER INFORMATION (Continued)

COMMITMENTS

The District participates in mutual aid agreements with Jackson and Josephine County emergency service organizations. It has also agreed with the Oregon Department of Forestry to provide fire protection on federal and state lands located within the District, and jointly maintains a sub-station at Lost Creek Dam.

The District has entered into contracts for auditing, physician supervisor, equipment maintenance, and fire protection for patrons near District boundaries, which cover periods after June 30, 2021.

The District has an emergency communications contract with Emergency Communications of Southern Oregon (ECSO) covering the year ending June 30, 2021. The total amount of the contract is \$47,556 which requires quarterly payments of \$11,889.

The District entered into a two-year contract with Rogue Valley Professional Firefighters L1817 covering the employment of the District's firefighters from July 1, 2020 through June 30, 2023. Each fiscal year includes Cost of Living Adjustment with a minimum increase of 2% and a maximum of 4% based upon the average annual CPI.

SUBSEQUENT EVENTS

The District has evaluated subsequent events through October 15, 2021, the date of the report. The report was available to be issued on October 15, 2021.

SUPPLEMENTARY INFORMATION

JACKSON COUNTY FIRE DISTRICT NO. 4
Notes to Budget 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 April, 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 transfers 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, and then approves a budget and submits it to the Board for final adoption. The approved disbursements for each fund may not be increased by more than 10% by the Board without returning to the Budget Committee for a second approval. After the Board adopts the budget and certifies the total of ad valorem taxes to be levied, no additional tax levy may be made for that fiscal year.

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. personnel 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 hearings before the public, publication in newspapers and approval by the District Board. Disbursements 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.

JACKSON COUNTY FIRE DISTRICT NO. 4
General Fund
Budgetary Comparison Schedule – Cash Basis
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
RECEIPTS				
District property taxes				
Current year's levy	\$ 1,554,000	\$ 1,554,000	\$ 1,514,765	\$ (39,235)
Prior years' levy	40,000	40,000	77,324	37,324
Total taxes	<u>1,594,000</u>	<u>1,594,000</u>	<u>1,592,089</u>	<u>(1,911)</u>
Other receipts				
Earnings on investments	18,000	18,000	9,272	(8,728)
Grants	100	100	720	620
Donations	1,000	1,000	23,207	22,207
Sale of equipment and merchandise	1,000	1,000	17,552	16,552
Obenchain conflagration reimbursement			34,919	34,919
Miscellaneous	5,000	5,000	2,954	(2,046)
Total other receipts	<u>25,100</u>	<u>25,100</u>	<u>88,624</u>	<u>63,524</u>
Total receipts	<u>1,619,100</u>	<u>1,619,100</u>	<u>1,680,713</u>	<u>61,613</u>
DISBURSEMENTS				
Fire suppression				
Current				
Personnel services	1,195,800	1,195,800	1,110,016	85,784
Materials and services	352,300	352,300	211,701	140,599
Total disbursements	<u>1,548,100</u>	<u>1,548,100</u>	<u>1,321,717</u>	<u>226,383</u>
Excess (deficiency) of receipts over disbursements	<u>71,000</u>	<u>71,000</u>	<u>358,996</u>	<u>287,996</u>
OTHER FINANCING SOURCES (USES)				
Transfer to Capital Projects Fund	(75,000)	(75,000)	(75,000)	-
Operating contingency	(96,000)	(96,000)	-	96,000
Total other financing sources (uses)	<u>(171,000)</u>	<u>(171,000)</u>	<u>(75,000)</u>	<u>96,000</u>
Net change in fund balance- cash basis	(100,000)	(100,000)	283,996	383,996
FUND BALANCE-CASH BASIS				
Beginning of the year	415,000	415,000	591,833	176,833
End of the year	<u>\$ 315,000</u>	<u>\$ 315,000</u>	<u>\$ 875,829</u>	<u>\$ 560,829</u>

JACKSON COUNTY FIRE DISTRICT NO. 4
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				
Loan proceeds	\$ 100	\$ 100	\$ -	\$ (100)
DISBURSEMENTS				
Capital outlay	85,000	85,000	53,768	31,232
Total disbursements	<u>85,000</u>	<u>85,000</u>	<u>53,768</u>	<u>31,232</u>
Excess (deficiency) of receipts over disbursements	<u>(84,900)</u>	<u>(84,900)</u>	<u>(53,768)</u>	<u>31,132</u>
OTHER FINANCING SOURCES (USES)				
Transfer from General Fund	75,000	75,000	75,000	-
Total other financing sources (uses)	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
Net changes in fund balance- cash basis	(9,900)	(9,900)	21,232	31,132
FUND BALANCE-CASH BASIS				
Beginning of the year	392,500	392,500	396,960	4,460
End of the year	<u>\$ 382,600</u>	<u>\$ 382,600</u>	<u>\$ 418,192</u>	<u>\$ 35,592</u>

JACKSON COUNTY FIRE DISTRICT NO. 4
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>		
PERSONNEL SERVICES				
Fire chief	\$ 51,800	\$ 51,800	\$ 52,752	\$ (952)
Staff assistant	35,000	35,000	16,351	18,649
Fire captains	200,000	200,000	204,613	(4,613)
Firefighters	245,000	245,000	237,688	7,312
Overtime	125,000	125,000	97,437	27,563
FLSA premium pay	11,500	11,500	11,780	(280)
Education incentive	-	-	1,800	(1,800)
Paramedic incentive	37,200	37,200	30,576	6,624
Longevity	3,500	3,500	3,283	217
Compensated absences	7,500	7,500	-	7,500
PERS	180,000	180,000	163,921	16,079
Medical/dental insurance	212,000	212,000	203,252	8,748
Payroll taxes	55,800	55,800	50,838	4,962
Workers' comp insurance	28,000	28,000	32,314	(4,314)
Out of class	3,500	3,500	3,411	89
Total personnel services	\$ 1,195,800	\$ 1,195,800	\$ 1,110,016	\$ 85,784

JACKSON COUNTY FIRE DISTRICT NO. 4
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				
Office supplies and equipment	\$ 13,500	\$ 13,500	\$ 8,998	\$ 4,502
Supplies - miscellaneous	5,000	5,000	560	4,440
Supplies - fees	2,500	2,500	-	2,500
Supplies - medical	25,000	25,000	18,318	6,682
Supplies - fire prevention	3,000	3,000	531	2,469
Supplies - small tools	17,000	17,000	6,742	10,258
Supplies - radio	5,000	5,000	1,970	3,030
Supplies - station	6,500	6,500	5,300	1,200
Fuels and lubricants	14,000	14,000	9,104	4,896
Vehicle maintenance and repair	25,000	25,000	17,098	7,902
Building maintenance and repair	22,700	22,700	15,719	6,981
Equipment maintenance and repair	6,000	6,000	4,163	1,837
Auditor	8,500	8,500	7,500	1,000
Legal services	1,000	1,000	-	1,000
Insurance	12,500	12,500	12,589	(89)
EMS physician advisor	2,500	2,500	2,000	500
ECSO dispatching	48,000	48,000	35,862	12,138
Consulting services	10,000	10,000	-	10,000
Maintenance contracts	5,000	5,000	8,323	(3,323)
Technical services	8,000	8,000	5,022	2,978
Student firefighter program	17,000	17,000	2,240	14,760
Telephone and communications	7,000	7,000	7,863	(863)
Sewer usage expense	700	700	484	216
Gas and propane	2,500	2,500	1,834	666
Electricity	6,800	6,800	4,823	1,977
Garbage	2,000	2,000	1,205	795
Dues and subscriptions	14,000	14,000	4,577	9,423
Advertisements and elections	5,000	5,000	3,407	1,593
Physicals and immunizations	10,000	10,000	1,963	8,037
Uniform allowance	26,500	26,500	16,311	10,189
Training	20,000	20,000	7,093	12,907
Interest	100	100	102	(2)
Total materials and services	\$ 352,300	\$ 352,300	\$ 211,701	\$ 140,599

JACKSON COUNTY FIRE DISTRICT NO. 4
Schedule of Property Tax Transactions
For the Year Ended June 30, 2021

Fiscal Years	Property Taxes Receivable 7/1/2020	Levy as Extended by Assessor	Add (Deduct) Discount Interest Adjustments	Deduct Collections	Property Taxes Receivable 6/30/2021
20-21	\$ -	\$ 1,607,807	\$ (55,388)	\$ 1,514,765	\$ 37,654
PRIOR	90,252	-	17,994	77,324	30,922
TOTALS	<u>\$ 90,252</u>	<u>\$ 1,607,807</u>	<u>\$ (37,394)</u>	<u>\$ 1,592,089</u>	<u>\$ 68,576</u>

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

RICHARD W. BREWSTER, CPA, PC

CERTIFIED PUBLIC ACCOUNTANT

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Independent Auditor's Report Required by Oregon State Regulations

Board of Directors
Jackson County Fire District No. 4
P.O. Box
Shady Cove, OR 97539

I have audited the basic cash basis financial statements of Jackson County Fire District No. 4 as of and for the year ended June 30, 2021 and have issued my report thereon dated October 15, 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 Jackson County Fire District No. 4'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 Jackson County Fire District No. 4 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; with the exception of the 2020/21 resolution adopted. There were numerical issues with dates and amounts as adopted.

OAR 162-10-0230 Internal Control

In planning and performing my audit, I considered Jackson County Fire District'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 Jackson County Fire District No. 4's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of Jackson County Fire District No. 4's internal control over financial reporting. However, I did in a letter dated October 15, 2021, make recommendations to management to improve the accounting records or improve the internal control system.

This report is intended solely for the information and use of the Board of Directors and management of Jackson County Fire District No. 4 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

October 15, 2021

