

MID-COLUMBIA FIRE & RESCUE  
WASCO COUNTY, OREGON  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2021

MID-COLUMBIA FIRE & RESCUE  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2021

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MID-COLUMBIA FIRE & RESCUE

BOARD OF DIRECTORS AND ADMINISTRATIVE STAFF

FOR THE YEAR ENDED JUNE 30, 2021

BOARD OF DIRECTORS

<u>NAME</u>	<u>ADDRESS</u>	<u>POSITION</u>	<u>TERM EXPIRES</u>
David Jacobs	3350 Sandlin Road	President	6-30-21
Diana Bailey	1416 Nevada Street	Vice-President	6-30-23
Richard Schaffeld	3923 Browns Creek Road	Sec./Treasurer	6-30-23
David Peters	2509 Mill Creek Road	Director	6-30-23
Mike Cronin	1301 Lambert Street	Director	6-30-21

ADMINISTRATIVE STAFF

<u>NAME</u>	<u>ADDRESS</u>	<u>POSITION</u>
Robert Palmer	1902 West 13 <sup>th</sup> Street	Fire Chief
Jay Wood	P.O. Box 1931	Division Chief
David Jensen	400 East 8 <sup>th</sup> Street	Division Chief
Fred Coleman	1811 Jefferson Street	Division Chief
Stephanie Zeigler	9701 Cook-Underwood Rd (Underwood, WA 98651)	Office Manager
Peachey, Davies & Myers, P.C.	P.O. Box 2190	Attorney/Registered Agent
Jeff Griffin	P.O. Box 1421 Eugene, Oregon 97440	Insurance Agent of Record

(All addresses are The Dalles, Oregon 97058 except as noted)

FINANCIAL SECTION



**FRIEND & REAGAN, P.C.**  
Certified Public Accountants

305 E. Fifth Street  
The Dalles, OR 97058  
phone [541] 296.2000  
fax [541] 296.5636  
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## INDEPENDENT AUDITOR'S REPORT

Fire Chief and Board of Directors  
Mid-Columbia Fire & Rescue  
The Dalles, Oregon 97058

### **Report on the Financial Statements**

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Mid-Columbia Fire & Rescue 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 modified cash basis of accounting described in Note 1; this includes determining that the modified 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 financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund and the corresponding budgetary comparisons, and the aggregate remaining fund information of Mid-

Columbia Fire and Rescue, as of June 30, 2021, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

***Basis of Accounting***

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

***Other Matters***

***Other Information***

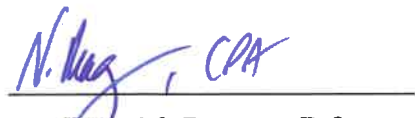
Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise Mid-Columbia Fire and Rescue's basic financial statements. The introductory section, and combining and individual budgetary basis fund financial statements, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual budgetary basis fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other 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 introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

**Report on Other Legal and Regulatory Requirements**

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated October 1, 2021, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



For Friend & Reagan, P.C.  
The Dalles, Oregon  
October 1, 2021

## BASIC FINANCIAL STATEMENTS



MID-COLUMBIA FIRE & RESCUE

STATEMENT OF NET POSITION

MODIFIED CASH BASIS

JUNE 30, 2021

(all amounts are in dollars)

	<u>Primary Government Governmental Activities</u>
<u>Assets</u>	
Cash and Investments	3,447,867
Capital Assets:	
Depreciable	8,207,845
Non-Depreciable	<u>68,348</u>
Total Assets	<u>11,724,060</u>
<u>Liabilities</u>	
Noncurrent Liabilities:	
Long Term Debt - Due within one year	245,808
Long Term Debt - Due in more than one year	<u>3,685,777</u>
Total Liabilities	<u>3,931,585</u>
<u>Net Position</u>	
Net Investment in Capital Assets	4,344,608
Restricted for:	
Debt Service	38,408
Unrestricted	<u>3,409,459</u>
<u>Total Net Position</u>	<u>7,792,475</u>

(THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT)

MID-COLUMBIA FIRE & RESCUE

STATEMENT OF ACTIVITIES

MODIFIED CASH BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(all amounts are in dollars)

<u>FUNCTIONS/PROGRAMS</u>	<u>PROGRAM REVENUES</u>			<u>NET (EXPENSES)</u>
	<u>FEES, FINES AND</u>	<u>OPERATING</u>	<u>CAPITAL GRANTS</u>	<u>REVENUES</u>
	<u>CHARGES FOR</u>	<u>GRANTS AND</u>	<u>AND</u>	<u>AND CHANGES IN</u>
	<u>SERVICES</u>	<u>CONTRIBUTIONS</u>	<u>CONTRIBUTIONS</u>	<u>NET POSITION</u>
				<u>TOTAL</u>
				<u>GOVERNMENTAL</u>
				<u>ACTIVITIES</u>
Administration	730,920	-	-	(730,920)
Public Safety	4,899,047	1,746,886	115,470	(3,036,692)
Interest	106,375	-	-	(106,375)
<u>TOTAL GOVERNMENTAL ACTIVITIES</u>	<u>5,736,342</u>	<u>1,746,886</u>	<u>115,470</u>	<u>(3,873,987)</u>

General Revenues:

Property Taxes, levied for General Purposes	3,360,126
Property Taxes, levied for Debt Service	283,432
Interest and investment earnings	27,308
Miscellaneous	366,170
Gain/Loss on Disposal of Capital Assets	57,502
<u>Total General Revenues</u>	<u>4,094,538</u>

Change in Net Position

220,551

Net Position, Beginning

7,571,924

Net Position, Ending

7,792,475

(THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT)

MID-COLUMBIA FIRE & RESCUE

BALANCE SHEET -- GOVERNMENTAL FUNDS

MODIFIED CASH BASIS

JUNE 30, 2021

(all amounts are in dollars)

	<u>GENERAL FUND</u>	<u>DEBT SERVICE FUND</u>	<u>TRAINING TOWER FUND</u>	<u>AGGREGATE REMAINING FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<u>Assets:</u>					
Cash and Investments	3,176,533	38,408	153,603	79,323	3,447,867
<u>Total Assets</u>	<u>3,176,533</u>	<u>38,408</u>	<u>153,603</u>	<u>79,323</u>	<u>3,447,867</u>
<u>Liabilities and Fund Balance:</u>					
<u>Liabilities</u>	-	-	-	-	-
<u>Fund Balances:</u>					
Restricted for:					
Debt Service	-	38,408	-	-	38,408
Committed to:					
Training	-	-	153,603	-	153,603
Stacker Butte	-	-	-	42,134	42,134
Fire Med	-	-	-	37,189	37,189
Assigned to:					
Equipment Reserve	671,195	-	-	-	671,195
Building Reserve	105,250	-	-	-	105,250
Fire Fighting Reserve	264,595	-	-	-	264,595
Technical Reserve	55,674	-	-	-	55,674
Retirement Reserve	101,745	-	-	-	101,745
Unassigned	1,978,074	-	-	-	1,978,074
<u>Total Liabilities and Fund Balance</u>	<u>3,176,533</u>	<u>38,408</u>	<u>153,603</u>	<u>79,323</u>	<u>3,447,867</u>

(THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT)

MID-COLUMBIA FIRE & RESCUE

RECONCILIATION OF BALANCE SHEET TO STATEMENT OF NET POSITION

JUNE 30, 2021  
(all amounts are in dollars)

Total Fund Balances - Governmental Funds	3,447,867
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Governmental capital assets:

Land	68,348	
Depreciable Assets	12,378,062	
Less accumulated depreciation	<u>(4,170,217)</u>	8,276,193

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Bonds Payable	<u>(3,931,585)</u>
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Net Position of Governmental Activities	<u><u>7,792,475</u></u>
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(THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT)

MID-COLUMBIA FIRE & RESCUE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -- GOVERNMENTAL FUNDS

MODIFIED CASH BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(all amounts are in dollars)

<u>REVENUES:</u>	<u>GENERAL FUND</u>	<u>DEBT SERVICE FUND</u>	<u>TRAINING TOWER FUND</u>	<u>AGGREGATE REMAINING FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
Property Taxes	3,360,126	283,432	-	-	3,643,558
Payments in Lieu of Taxes	-	-	191,444	-	191,444
Fees	1,682,546	-	-	64,340	1,746,886
Interest Income	23,498	970	1,823	1,017	27,308
Grants	115,470	-	-	-	115,470
Miscellaneous	116,381	-	56,000	2,345	174,726
<u>TOTAL REVENUES</u>	<u>5,298,021</u>	<u>284,402</u>	<u>249,267</u>	<u>67,702</u>	<u>5,899,392</u>

EXPENDITURES:

Current:					
Public Safety	3,603,056	-	-	20,727	3,623,783
Administration Expense	730,920	-	-	-	730,920
Capital Outlay	346,898	-	567,698	121,041	1,035,638
Debt Service:					
Principal Payments	-	180,000	49,807	-	229,807
Interest Payments	-	95,131	11,245	-	106,375
<u>TOTAL EXPENDITURES</u>	<u>4,680,874</u>	<u>275,131</u>	<u>628,750</u>	<u>141,768</u>	<u>5,726,522</u>

Excess of Revenues Over (Under) Expenditures

617,147      9,271      (379,483)      (74,066)      172,869

OTHER FINANCING SOURCES (USES):

Fixed Asset Sales	57,502	-	-	-	57,502
Operating Transfers In	661,000	-	16,000	-	677,000
Operating Transfers Out	(672,000)	-	-	(5,000)	(677,000)
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>46,502</u>	<u>-</u>	<u>16,000</u>	<u>(5,000)</u>	<u>57,502</u>

Net Change in Fund Balances

663,649      9,271      (363,483)      (79,066)      230,371

FUND BALANCE - BEGINNING OF YEAR

2,512,884      29,137      517,086      158,389      3,217,496

FUND BALANCE - END OF YEAR

3,176,533      38,408      153,603      79,323      3,447,867

(THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT)

MID-COLUMBIA FIRE & RESCUE

RECONCILIATION OF GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(all amounts are in dollars)

Total Net Change in Fund Balances - Governmental Funds 230,371

Amounts reported for governmental activities in the Statement of Activities  
are different because:

Governmental funds report capital outlay as expenditures. However  
in the Statement of Activities, the cost of those assets is depreciated over  
their estimated useful lives.

Expenditures for Capital Assets	289,194	
Less Current Year Depreciation	<u>(528,821)</u>	(239,627)

Repayment of principal is an expenditure in the governmental funds,  
but the repayment reduces long-term liabilities in the Statement of  
Net Assets. Interest on those bonds is a period cost.

Principal Payments	<u>229,807</u>
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Change in Net Position of Governmental Activities	<u><u>220,551</u></u>
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(THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT)

**MAJOR GOVERNMENTAL FUNDS**

MID-COLUMBIA FIRE & RESCUE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL -- GENERAL FUND

MODIFIED CASH BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>REVENUES:</u>				
Taxes - Current Year Levy	3,216,407	3,216,407	3,291,289	74,882
Taxes - Prior Years' Levies	100,000	100,000	68,837	(31,163)
Interest Income	40,000	40,000	17,403	(22,597)
Ambulance Revenue	1,545,000	1,545,000	1,682,546	137,546
Fire Protection Agreements	900	900	-	(900)
Grant Proceeds	140,445	140,445	115,470	(24,975)
Miscellaneous Revenue	84,000	84,000	116,381	32,381
<u>TOTAL REVENUES</u>	<u>5,126,752</u>	<u>5,126,752</u>	<u>5,291,926</u>	<u>165,174</u>
<u>EXPENDITURES:</u>				
<u>Current:</u>				
<u>ADMINISTRATION -- PERSONAL SERVICES:</u>				
Fire Chief	106,149	106,149	117,536	(11,387)
Division Chief Prevention/Public Education	94,394	94,394	105,258	(10,864)
Division Chief Training Operations	94,373	94,373	106,056	(11,683)
Division Chief FEMA Funded	94,357	94,357	105,545	(11,188)
Office Clerk	18,720	-	-	-
Office Manager	59,746	59,746	58,671	1,075
Background Investigator	3,600	3,600	3,126	475
Uniforms	5,500	5,500	3,039	2,461
Retirement	94,236	94,236	88,756	5,480
Workers' Compensation	1,539	1,539	1,499	40
Life Insurance	1,497	1,497	1,386	111
Health Insurance	107,158	107,158	105,222	1,936
Occupational Healthcare	5,300	5,300	3,363	1,937
Long Term Disability	2,770	2,770	3,046	(276)
Medicare	6,854	6,854	6,929	(75)
SS Payroll Expense	1,329	1,329	193	1,136
PEHP Plan	9,355	9,355	7,473	1,882
Defined Contribution Plan	14,049	14,049	13,822	227
<u>TOTAL ADMINISTRATION -- PERSONAL SERVICES:</u>	<u>720,926</u>	<u>702,206</u>	<u>730,920</u>	<u>(28,714)</u>

(THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT)



MID-COLUMBIA FIRE & RESCUE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL -- GENERAL FUND

MODIFIED CASH BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>EXPENDITURES CONTINUED:</u>				
<u>PUBLIC SAFETY -- PERSONAL SERVICES:</u>				
Captain	286,218	286,218	250,860	35,358
Lieutenant	249,810	249,810	194,640	55,170
Firefighter	1,065,773	1,065,773	1,007,250	58,523
Volunteer Program	56,000	56,000	5,263	50,737
Volunteer Reimbursement	-	-	2,910	(2,910)
Volunteer Uniforms	-	-	20	(20)
Funeral Leave	-	-	9,311	(9,311)
Payroll Expense	2,500	2,500	2,046	454
Uniforms	24,200	24,200	27,672	(3,472)
PEHP Plan	32,036	32,036	23,986	8,050
Retirement	426,416	426,416	369,723	56,693
Workers Comp	57,811	57,811	53,870	3,941
Life Insurance	12,015	12,015	11,561	454
Health Insurance	478,236	478,236	384,346	93,890
Occupational Healthcare	51,998	51,998	26,834	25,164
Long Term Disability	13,500	13,500	9,969	3,531
Unemployment	-	-	12	(12)
Medicare	30,868	30,868	26,617	4,251
Defined Contribution	37,926	37,926	32,772	5,154
Holiday	50,000	50,000	31,052	18,948
Overtime - Sick	85,000	85,000	126,398	(41,398)
Ambulance Stand By	15,000	15,000	4,579	10,421
Overtime - Fire	60,000	60,000	27,718	32,282
Overtime - Ambulance	170,000	170,000	124,213	45,787
Overtime - Tech Rescue	11,160	11,160	1,494	9,666
Overtime - Training	41,670	41,670	12,094	29,576
Overtime - Other	40,000	40,000	39,674	326
Overtime - FLSA	43,730	43,730	38,236	5,494
<u>TOTAL PUBLIC SAFETY -- PERSONAL SERVICES:</u>	<u>3,341,867</u>	<u>3,341,867</u>	<u>2,845,119</u>	<u>496,748</u>

(THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT)

MID-COLUMBIA FIRE & RESCUE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL -- GENERAL FUND

MODIFIED CASH BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>EXPENDITURES CONTINUED:</u>				
<u>PUBLIC SAFETY -- MATERIALS &amp; SERVICES:</u>				
General Insurance	59,920	59,920	62,804	(2,884)
Advertising, Publications	4,000	4,000	2,141	1,859
Dues, Subscriptions	24,680	24,680	24,264	416
Elections	5,070	5,070	3,199	1,871
Office Expense	15,700	15,700	15,618	82
Office Equip Maintenance	3,150	3,150	1,478	1,672
Office Equipment Lease	3,150	3,150	3,354	(204)
Bank Charges	500	500	887	(387)
Janitorial Supplies	3,500	3,500	1,766	1,734
Residence Supplies	850	850	415	435
Gas and Diesel	40,000	40,000	31,710	8,290
Tire, Batteries	16,950	16,950	12,419	4,531
Equipment Maintenance	40,000	40,000	25,160	14,840
Communication Repair	3,850	3,850	1,100	2,750
Sm Eq Maint, Shop Supplies	3,000	3,000	1,132	1,869
Fire Equipment Maintenance	9,200	9,200	3,230	5,970
EMS Equipment Maintenance	5,910	5,910	10,934	(5,024)
Equipment Testing	13,700	13,700	6,934	6,766
Ambulance Billing Expense	98,270	98,270	84,911	13,359
Audit, Budget	19,600	19,600	19,650	(50)
Legal Services	75,450	75,450	72,938	2,513
Professional Services	39,130	57,850	70,492	(12,642)
Water	3,500	3,500	3,049	451
Natural Gas	12,000	12,000	8,949	3,051
Electricity	16,750	16,750	12,679	4,071
Telephone	35,190	35,190	24,717	10,473
Sewer	4,000	4,000	3,068	932
Garbage	5,940	5,940	5,638	302
EMS Training Supplies	6,495	6,495	11,201	(4,706)
EMS Dues	4,925	4,925	3,726	1,199
Physician Advisor	6,000	6,000	6,000	-

(THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT)

MID-COLUMBIA FIRE & RESCUE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL -- GENERAL FUND

MODIFIED CASH BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>EXPENDITURES CONTINUED:</u>				
<u>PUBLIC SAFETY -- MATERIALS &amp; SERVICES:</u>				
Ambulance Transport Exp	10,500	10,500	9,303	1,197
Ambulance Expendables	55,500	55,500	52,234	3,266
Ambulance Non Expendable	2,200	2,200	2,104	96
Hazardous Materials	1,500	1,500	297	1,203
Firefighting Supplies	17,410	17,410	15,082	2,328
Fire Prevention Supplies	14,700	14,700	11,010	3,690
Public Education	22,500	22,500	4,239	18,261
Firefighting Supplies PPE	30,020	30,020	25,461	4,559
Fire Training Supplies	6,800	6,800	6,509	291
Fire Suppression Expense	10,000	10,000	5,187	4,813
Fire Board Meals, Lodging	6,900	6,900	-	6,900
Fire Board Conference	2,800	2,800	-	2,800
Bargaining Unit Vol Training	10,500	10,500	3,333	7,167
General Training All	26,250	26,250	14,727	11,523
Administrative Voluntary Training	2,500	2,500	50	2,450
Volunteer Training	28,500	28,500	7,365	21,135
Building Maintenance	10,050	10,050	11,551	(1,501)
Building Maintenance Agreements	6,750	6,750	6,590	160
Grounds Maintenance	5,500	5,500	3,726	1,774
Postage, Shipping	2,340	2,340	1,091	1,249
Miscellaneous Expense	7,550	7,550	2,929	4,621
Training Trailer Maintenance	3,000	3,000	951	2,049
911 Services	73,500	73,500	38,626	34,874
EMS Scholarships	5,000	5,000	-	5,000
<u>TOTAL PUBLIC SAFETY -- MATERIALS &amp; SERVICES:</u>	<u>942,650</u>	<u>961,370</u>	<u>757,928</u>	<u>203,442</u>
<u>CAPITAL OUTLAY:</u>				
Firefighting Equipment	64,400	64,400	47,917	16,483
Fire Training Equipment	1,800	1,800	698	1,102
Office Equipment	17,800	17,800	16,957	843
Radio Equipment	18,700	18,700	7,349	11,351
<u>TOTAL CAPITAL OUTLAY</u>	<u>102,700</u>	<u>102,700</u>	<u>72,922</u>	<u>29,778</u>
<u>CONTINGENCY</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
<u>TOTAL EXPENDITURES</u>	<u>5,208,143</u>	<u>5,208,143</u>	<u>4,406,888</u>	<u>801,255</u>

(THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT)

MID-COLUMBIA FIRE & RESCUE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL -- GENERAL FUND

MODIFIED CASH BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(all amounts are in dollars)

<u>TOTAL REVENUES</u>	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
	5,126,752	5,126,752	5,291,926	165,174
<u>TOTAL EXPENDITURES</u>	<u>5,208,143</u>	<u>5,208,143</u>	<u>4,406,888</u>	<u>801,255</u>
Excess of Revenues Over/ (Under) Expenditures	(81,391)	(81,391)	885,037	966,428
<u>OTHER FINANCING SOURCES AND (USES):</u>				
Fire Med Fund Transfers In	26,050	26,050	5,000	(21,050)
General Fund Transfers Out	(672,000)	(672,000)	(672,000)	-
<u>TOTAL OTHER FINANCING SOURCES AND (USES)</u>	<u>(645,950)</u>	<u>(645,950)</u>	<u>(667,000)</u>	<u>(21,050)</u>
Net Change in Fund Balance	(727,341)	(727,341)	218,037	945,378
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>1,905,213</u>	<u>1,905,213</u>	<u>1,760,037</u>	<u>(145,176)</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>1,177,872</u>	<u>1,177,872</u>	<u>1,978,074</u>	<u>(800,202)</u>

(THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT)

MID-COLUMBIA FIRE & RESCUE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL -- TRAINING FUND

MODIFIED CASH BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>REVENUES:</u>				
Enterprise Zone Payments	534,666	534,666	56,000	(478,666)
Training Class Income	3,000	3,000	-	(3,000)
Interest Earned	2,000	2,000	1,823	(177)
<u>TOTAL REVENUES</u>	<u>539,666</u>	<u>539,666</u>	<u>57,823</u>	<u>(481,843)</u>
<u>EXPENDITURES:</u>				
Materials & Services	3,000	3,000	-	3,000
Capital Outlay	624,505	624,505	567,698	56,807
Debt Service:				
Principal Payments	49,807	49,807	49,807	-
Interest Payments	12,188	12,188	11,245	943
<u>TOTAL EXPENDITURES</u>	<u>689,500</u>	<u>689,500</u>	<u>628,750</u>	<u>60,750</u>
Excess of Revenues Over/ (Under) Expenditures	(149,834)	(149,834)	(570,926)	(421,092)
<u>OTHER FINANCING SOURCES/(USES)</u>				
Insurance Recovery	-	-	191,444	191,444
General Fund Transfers In	16,000	16,000	16,000	-
<u>TOTAL OTHER FINANCING SOURCES(USES)</u>	<u>16,000</u>	<u>16,000</u>	<u>207,444</u>	<u>191,444</u>
Net Change in Fund Balance	(133,834)	(133,834)	(363,483)	(229,649)
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>133,834</u>	<u>133,834</u>	<u>517,086</u>	<u>383,252</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>-</u>	<u>-</u>	<u>153,603</u>	<u>153,603</u>

(THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT)

## MID-COLUMBIA FIRE & RESCUE

### NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

#### **1. SIGNIFICANT ACCOUNTING POLICIES:**

As discussed further in Note 1 – Basis of Accounting, these financial statements are presented on a modified 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 modified 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 modified cash basis of accounting.

#### **REPORTING ENTITY:**

Mid-Columbia Fire and Rescue is governed by a five-member Board of Directors. Standards require that these financial statements present the Fire District (primary Government) and all component units, if any. Component units, as established by the Governmental Accounting Standards Board (GASB) Statement 61, are separate organizations that are included in the District's reporting entity because of the significance of their operational or financial relationships with the District. All significant activities and organizations with which the District exercises oversight responsibility have been considered for inclusion in the basic financial statements.

Based upon the application of the above criteria, the District has no potential component units. As a result, all significant activities and organizations have been included in the combined financial statements.

#### **BASIS OF PRESENTATION:**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary governmental activities of the District. Eliminations have been made to minimize the double counting of internal activities. The Statement of Activities presents a comparison between direct expenses of the District's public safety and administration programs and program revenues. Direct expenses are those that are specifically associated with the public safety or administration function and, therefore, are clearly identifiable to that function. Program revenues include: (1) charges to other governments for fire protection and ambulance services and (2) operating grants and contributions. Property taxes, investment earnings, and other items that are not properly classified as program revenues are presented as general revenues.

The fund financial statements of the reporting entity 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

constitute its assets, deferred outflows, liabilities, deferred inflows, net position or fund balance, revenues, and expenditures or expenses. The District's funds are organized into one major category: governmental. The District has no proprietary or fiduciary funds. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the District or if it meets the following criteria:

- A. Total assets, deferred outflows, liabilities, deferred inflows, revenues, or expenditures or expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type.
- B. Total assets, deferred outflows, liabilities, deferred inflows, revenues, or expenditures or expenses of that individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

GASB 34 establishes criteria for the determination of major funds. Non-major funds are combined in a single column in the fund financial statements. The District reports the following major funds:

General Fund: The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Training Fund: This fund was established for the purpose of accumulating resources to fund outside training/education and purchase training props. Resources are derived from training class revenue, grants, and enterprise zone funds.

Debt Service Fund: The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. This fund was selected to be a major fund by management of the District in the current year even though it did not meet the applicable thresholds requiring it to be a major fund.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The District currently has no fiduciary funds. Major individual governmental funds are reported in separate columns in the fund financial statements.

The funds of the financial reporting entity are described below:

**GOVERNMENTAL FUND TYPES:**

- General Fund: is the District's primary operating fund. It accounts for all resources of the District, except those required to be accounted for in another fund, either legally or by Board direction. The principal revenue

source is property taxes. Primary expenditures are for public safety. The general fund is always reported as a major fund in the governmental fund statements.

- Capital Projects Fund: is used to record the accumulation of resources and payment for capital projects including apparatus replacement and facility improvement.
- Debt Service Fund: is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.
- Special Revenue Funds: This fund type is used to account for the proceeds of specific revenue sources that are restricted by law or administrative action for specific purposes other than debt service or capital projects.

As a rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

Mid-Columbia Fire & Rescue chooses to present major fund budgetary comparison information in the basic financial statements for the General and major Special Revenue Funds.

#### **MEASUREMENT FOCUS & 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

The government-wide financial statements are reported using the economic resources measurement focus, within the limitations of the modified cash basis of accounting. Under this measurement focus, all assets, deferred outflows, liabilities, and deferred inflows (whether current or noncurrent or financial or non-financial) associated with the activities are generally reported within the limitations of modified cash basis of accounting.

The governmental fund financial statements are reported using the current financial resources measurement focus within the limitations of the modified cash basis of accounting. Only current financial assets and liabilities are generally included on the balance sheets. The operating statement presents 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.

##### Basis of Accounting

The financial statements are presented on a modified cash basis of accounting, which is a basis of accounting other than GAAP as established by GASB. This



basis of accounting involves modifications to the cash basis of accounting to report in the Statements of Net Position or balance sheets cash transactions or events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. Such reported balances include investments, inter-fund receivables and payables, capital assets and related depreciation, and short-term and long-term liabilities arising from cash transactions or events.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expense and liabilities) are not recorded in these financial statements. In addition, other economic assets, deferred outflows, liabilities, and deferred inflows that do not arise from a cash transaction or event are not reported and the measurement of reported assets and liabilities does not involve adjustment to fair value.

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

**ASSETS, LIABILITIES AND NET POSITION:**

Capital Assets:

Capital assets arising from cash transactions or events are accounted for as assets in the Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable. The District defines capital assets as assets with an initial cost of more than 5,000 and useful life extending beyond a single reporting period. Replacements, which improve or extend the lives of property, are capitalized. Interest incurred during construction is not capitalized on capital assets. Maintenance, repairs, and equipment replacements of a routine nature are charged to expenditures as incurred and are not capitalized.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Assets and is provided on the straight line basis over the following estimated useful lives:

<u>ASSET</u>	<u>Years</u>
Equipment	5 to 45 years
Building and Improvements	15 to 100 years

The District owns no infrastructure assets and, as such, none are included among the District's fixed assets.

One-half year of depreciation is taken in the year the assets are acquired or retired. Gains or losses from sales or retirements of capital assets are included

in operations of the current period.

In the fund financial statements, capital assets arising from cash transactions or events acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Long Term Debt:

All long-term bonds, notes and any other debt arising from cash transactions or events to be repaid from the governmental resources are reported as liabilities in the government-wide statements.

In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources. Principal and interest payments are reported as debt service expenditures when paid.

Cash & Cash Equivalents:

For the purpose of reporting, "cash and cash equivalents" includes all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of three months or less.

Investments:

The District's investments consist of monies invested in the State of Oregon Local Government Investment Pool (LGIP). Investments are carried at cost, which approximates fair value.

Inventories:

Inventory-type items are considered to be an expenditure when purchased. The amount of inventory at year end was not considered significant and is not reported on the balance sheet.

Revenues:

Program revenues for the District include fees and charges for fire and ambulance services.

Property taxes are levied on July 1 pursuant to Oregon Revised Statute 310.030. Taxes are payable in full on November 15 or are payable in three installments the last of which is due on May 15 of the year following the year in which imposed. Taxes become delinquent on personal property when any installment is not paid by its due date. Taxes become delinquent on real property if not paid by May 15. On January 1 and July 1 tax liens attach to personal and real property respectively to secure payment of all taxes, penalties, and interest ultimately imposed. Personal property is subject to summary and seizure and the responsible taxpayer is subject to warrant service 30 days after delinquency date. Foreclosure proceedings begin on real property after three years from the date taxes become delinquent.

Use of Estimates:

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions

that affect certain reported amounts and disclosures (such as estimated useful lives in determining depreciation expense); accordingly, actual results could differ from those estimates.

Net Position is classified in the following three categories:

1. Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

2. Restricted – This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

3. Unrestricted Net Position – This component consists of all other net position that is not included in the other categories previously mentioned.

It is the District's policy to apply restricted net resources prior to the use of unrestricted net resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance:

The difference among assets, deferred outflows, liabilities, and deferred inflows of governmental funds is reported as fund balance with respective levels of constraint. In the fund financial statements, Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting, and Governmental Fund Type Definitions* (GASB 54) define the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB 54 requires the fund balance amounts to be properly reported within one of the five fund balance components listed below:

Nonspendable -- This component includes amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.

Restricted -- This component consists of amounts that can be spent only for the specific purpose stipulated by external resource providers, constitutional provisions, or enabling legislation.

Committed -- This component consists of amounts that can only be used for the specific purposes determined by a formal action of the District's Board of Directors, which includes resolutions. Those committed amounts cannot

be used for any other purpose unless the District removes or changes the specified use by taking the same type of action (resolution) it employed previously to commit those amounts.

Assigned -- This component consists of amounts that are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. The authority for assigning fund balance is expressed by the Board of Directors, or their designee as established in the District's Fund Balance Policy.

Unassigned -- This residual classification of fund balance that includes all spendable amounts that have not been restricted, committed, or assigned.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use it is the District's policy to use committed resources first, then assigned, and then unassigned, as they are needed.

#### **FUND BALANCE POLICY:**

A fund balance policy is tailored to the needs of the District to insure against unanticipated events that would adversely affect the financial condition of the District and jeopardize the continuation of necessary public services. This policy will ensure the District maintains adequate fund balance and reserves in the District's various operating funds to provide the capacity to: (1) provide sufficient cash flow for daily financial needs, (2) offset significant economic downturns and revenue shortfalls, and (3) provide funds for unforeseen expenditures related to emergencies.

The District will maintain reservations of Fund Balance in the General Fund of the District. In the General Fund, there shall be a reservation (unrestricted / undesignated) of fund balance enough to sustain the District's regular operating expenditures for a minimum of four months.

#### **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:**

Annual budgets for all funds are adopted on a basis consistent with Oregon Revised Statutes (*ORS 294 - Local Budget Law*). The budget is prepared on the modified cash basis of accounting for each fiscal year July 1 to June 30. The process under which the budget is adopted is described in the following paragraphs.

The budget process includes a series of notices and publications culminating with the budget hearing. After the public hearing has been held, the Board enacts the resolutions to adopt the budget, make appropriations, and declare the ad valorem tax levy for all funds except the Special Revenue and Reserve Funds. The Appropriations Resolution contains amounts for administration, public safety, personal services, materials and services, capital outlay, debt service, contingency and transfers to other funds as appropriate for each fund.

This is the level of control for authorized expenditures. The level of expenditures is monitored throughout the year. Transfers are made from operating contingency or between the major object classifications of the appropriation for each fund as required to prevent an over-expenditure.

Appropriations for all funds lapse at the end of each fiscal year.

Excess of Expenditures over Appropriations: Expenditures exceeded appropriations by 28,714 for Administration expenses in the General Fund for the fiscal year ended June 30, 2021.

Deficit Fund Balance: The District has no instances whereby any of its funds had a deficit fund balance as of June 30, 2021.

**BUDGET TO FUND FINANCIAL STATEMENT RECONCILIATION:**

For Fund Financial Statements reporting purposes, the District reports three special revenue funds: The Training Fund, the Fire Med Fund and the Stacker Butte Fund. However, for budgetary purposes the District reports five additional reserve funds: The Equipment Reserve Fund, Building Reserve Fund, Fire Fighting Equipment Reserve Fund, Technical Rescue Fund, and Retirement Liability Fund. These funds do not meet the criteria to be reported as special revenue funds under Governmental Accounting Standards Board Statement No. 54 and, therefore, have been combined with the General Fund in the Fund Financial Statements.

The following schedule reconciles the amounts on the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds – Modified Cash Basis to the amounts on the Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund -- Modified Cash Basis:

Net Change in Fund Balance on a Budgetary Basis:	218,037
Net Change in Fund Balance for other funds that do not meet the definition of Special Revenue Funds for GASB Statement No. 54:	
Equipment Reserve Fund	427,171
Building Reserve Fund	(46,402)
Fire Fighting Equipment Reserve Fund	15,215
Technical Rescue Fund	4,123
Retirement Liability Fund	<u>45,505</u>
Net Change in Fund Balance under GASB 54	<u><u>663,649</u></u>

**2. CASH AND INVESTMENTS:**

Cash and Investments consist of the following at June 30, 2021:

Checking Account & Money Market	392,629
Local Government Investment Pool	3,055,113
Cash on Hand	<u>125</u>
<b><u>TOTAL DEPOSITS AND INVESTMENTS</u></b>	<b><u>3,447,867</u></b>

*Custodial Credit Risk – Deposits:* Custodial credit risk for deposits is the risk that in the event of a bank failure, the government's deposits may not be returned to it. In order to minimize this risk, state statutes require banks holding public funds to become members of the Public Funds Collateralization Program (PFCP, a multiple financial institution collateral pool created by the Office of the State Treasurer.) To qualify, participating banks must pledge collateral against any public fund deposits in excess of deposit insurance. The amount of collateral is set by the PFCP between 10% and 110% of each bank's public fund deposits based on their net worth and level of capitalization. Although the PFCP creates a shared liability structure for participating bank depositories, it does not guarantee that all funds are 100% protected. At June 30, 2021, the District did not have any deposits exposed to custodial credit risk or any formal policy to limit custodial credit risk.

*Investments:* The District's cash management policies are governed by state statutes. Statutes authorize the District to invest in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, and the State Treasurer's Investment Pool, among others. Investments of the District are valued at cost, which approximates market.

The District participates in an external investment pool (State of Oregon Treasury Local Government Investment Pool). The Pool is not registered with the U.S. Securities and Exchange Commission as an investment company and is not rated. The State's investment policies are governed by the ORS and the Oregon Investment Council (OIC). The State Treasurer is the investment officer for the OIC and is responsible for all funds in the State Treasury. These funds are invested exercising reasonable care, skill and caution. Investments in the Pool are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board, which establishes diversification percentages and specifies the types and maturities of investments. That portion of the external investment pool which belongs to local government participants is reported in an Investment Trust Fund in the State's Comprehensive Annual Financial Report. A copy of the State's Comprehensive Annual Financial Report may be obtained at the Oregon State Treasury, 340 Winter St. NE., Salem, Oregon 97310-0840.

The District's position in the Pool at June 30, 2021 is stated at cost which approximates the fair value.

*Foreign Currency Risk – Investments:* Oregon Revised Statutes prohibit investments that are not U.S. Dollar-denominated; therefore, the District is not exposed to this risk.

*Custodial Credit Risk – Investments:* Custodial credit risk for investments is the risk that, in the event of failure of the counterparty (e.g., broker dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in possession of another party. At June 30, 2021, the District did not have any investments exposed to custodial credit risk.

*Concentration of Credit Risk – Investments:* Concentration of credit risk is the risk of loss attributed to the magnitude of an entity’s investment in a single issuer. There are no investments in any one issuer that represent five percent or more of the District’s total investments.

*Interest Rate Risk – Investments:* Interest rate risk is the risk that changes in interest rates demanded by the market will adversely affect the value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

### 3. **LONG-TERM DEBT AND LEASES:**

#### **GENERAL OBLIGATION BONDS, SERIES 2018:**

The District issued bonds as Mid-Columbia Fire & Rescue, Wasco County, Oregon, General Obligation Bonds, Series 2018 in February 2018 in the amount of 3,850,000 for use in apparatus replacement and facility improvement.

The scheduled maturity of debt principal and interest at June 30, 2021 is as follows:

<u>DUE</u> <u>DATE</u>	<u>RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2021-2022	2.68%	195,000	90,450	285,450
2022-2023	2.68%	210,000	85,224	295,224
2023-2024	2.68%	220,000	79,596	299,596
2024-2025	2.68%	235,000	73,700	308,700
2025-2026	2.68%	255,000	67,402	322,402
2026-2031	2.68%	1,520,000	226,058	1,746,058
2031-2033	2.68%	740,000	24,857	764,857
		<u>3,375,000</u>	<u>647,287</u>	<u>4,022,287</u>

#### **FULL FAITH AND CREDIT OBLIGATIONS:**

In December 2016 the District issued 795,000 in Full Faith and Credit Obligations Series 2016 with an interest rate of 2.01% and issuance costs of 15,000. On December 15, 2026, the interest rate will reset to a fixed rate of 1.7% pursuant to the terms of the financing agreement for the principal payments due each December 15<sup>th</sup> in the years 2027-2031. The proceeds were used for capital outlay expenditures on a training tower.

Maturity of debt principal and interest at June 30, 2021 is as follows:

<u>DUE</u> <u>DATE</u>	<u>RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2021-2022	2.01%	50,808	10,282	61,090
2022-2023	2.01%	51,829	9,261	61,090
2023-2024	2.01%	52,871	8,219	61,090
2024-2025	2.01%	53,933	7,156	61,090
2025-2026	2.01%	55,017	6,072	61,090
2026-2031	2.01%--1.70%	<u>292,127</u>	<u>15,096</u>	<u>307,223</u>
		<u>556,585</u>	<u>56,085</u>	<u>612,674</u>

**CHANGES IN LONG-TERM DEBT:**

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Due In</u> <u>One Year</u>
General Obligation Bonds 2018	3,555,000	-	(180,000)	3,375,000	(195,000)
Training Tower Obligations 2016	<u>606,392</u>	<u>-</u>	<u>(49,807)</u>	<u>556,585</u>	<u>(50,808)</u>
	<u>4,161,392</u>	<u>-</u>	<u>(229,807)</u>	<u>3,931,585</u>	<u>(245,808)</u>

**OPERATING LEASE:**

The District leases office equipment under an operating lease agreement based on metered usage each month. Total cost for this lease during 2021 was 1,656. All future payments will be based on usage per the lease agreement so there are no future minimum lease payments to disclose.

**4. PENSION PLANS:**

The District maintained a pension plan with Oliver Capital Management until June 30, 2018. On July 1, 2012 the money purchase pension plan became a defined contribution pension plan that was required to provide benefits equal to or greater than participation in the Oregon PERS plan. The PERS Board adopted a motion granting equal to or better than exemptions under ORS 237.620 to the District. On July 1, 2012 the District was considered a PERS employer in a six month waiting period. During the waiting period, all District employee and employer contributions continued being deposited with Oliver Capital Management. Beginning January 1, 2013, all employee accounts moved from Oliver Capital Management to PERS except three employees who opted out of PERS. All employees who had previously opted out of PERS have since retired and there are no more contributions going into this pension plan.

During the fiscal year ended June 30, 2018 the District amended an existing Qualified 457(b) Deferred Compensation Plan (also managed by Oliver Capital Management) to match employees monthly deferred compensation contribution up to a maximum of 35 per month effective July 1, 2018. This plan is a defined contribution plan with the



Board of Directors being responsible for amendments to plan provisions and contributions. A total of 15,603 was contributed to the plan during the fiscal year ended June 30, 2021 with 31,310 contributed by the District and the remaining 124,294 contributed by employees.

PERS Plan:

The District contributes to two cost-sharing multiple employer defined benefit plans administered by the Oregon Public Employees Retirement System (PERS). Employees hired before August 29, 2003 belong to the Tier one/Tier Two Retirement Benefit Program (established pursuant to ORS Chapter 238) while employees hired on or after August 29, 2003 belong to the OPRSP Oregon Public Service Retirement Plan (established pursuant to ORS Chapter 238A). Both PERS plans provide retirement and disability benefits, post-employment healthcare benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. OPERS issues a publicly available financial report which may be obtained by visiting: [http://www.oregon.gov/pers/Pages/section/financial\\_reports/financials.aspx](http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx). Oregon Revised Statutes 238 assigns the authority to establish and amend benefit provisions to the PERS Board of trustees and the State legislature.

*Benefits provided under ORS Chapter 238 – Tier One/Tier Two:*

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. Tier One/Tier Two Retirement Benefit 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) and employer funds equal to the account balance, provided certain conditions are met.

Disability Benefits: This is available for qualifying employees for both duty and non-duty connected causes.

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.

*Benefits provided under Chapter 238A – OPSRP Pension Program*

Pension Benefits: The Pension Program provides benefits to members hired on or after August 29, 2003. OPSRP provides a life pension funded by employer contributions. Benefits are based upon the number of years of service and the final average salary. 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 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 beneficiary receives for

life 50 percent of the pension that would otherwise have been paid to the deceased member.

Disability Benefits: This is available for qualifying employees for both duty and non-duty connected causes.

Benefit Changes After Retirement: Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes.

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 Other Postemployment Benefit Plans.

Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation. The District's contribution rates in effect for the fiscal year ended June 30, 2021 were 19.98% for Tier1/Tier Two members, 10.2% for OPSRP general service members, and 14.83% for OPSRP uniformed members. For 2020-21 the District's annual pension cost for PERS was equal to the District's required and actual contributions.

Members of PERS are required to contribute 6% of their salary covered under the plan, which is invested in the OPSRP Individual Account Program (IAP). The employee contribution is paid by the District.

**Schedule of Contributions:**

The District's total payroll for employees covered by the plans for the year ended June 30, 2021 was 2,363,710. The District's PERS contribution for the last three fiscal years ended June 30 were as follows:

Fiscal Year <u>Ending</u>	Required <u>Contributions</u>	Percentage of Required Contributions <u>Contributed</u>
6/30/2019	451,263	100%
6/30/2020	442,532	100%
6/30/2021	458,478	100%

**5. COMMITMENTS AND CONTINGENT LIABILITIES:**

The District is billed by the State of Oregon for unemployment compensation benefits paid to eligible employees. At June 30, 2021, there was no way of estimating the District's unemployment compensation liability to the State of Oregon.

**6. INTERFUND TRANSACTIONS:**

Funds are transferred from one fund to finance expenditures of other funds in accordance with the authority established for the individual fund. Transfers between fund types during the fiscal year ended June 30, 2021, were:

	Transfers <u>Out</u>	Transfers <u>In</u>
General Fund	672,000	5,000
Building Reserve Fund	-	142,510
Equipment Reserve Fund	-	410,000
Retirement Liability Fund	-	45,000
Technical Rescue Fund	-	3,710
Training Fund	-	16,000
FF Equip Reserve Fund	-	54,780
Fire Med Fund	5,000	-
<b>Total</b>	<u><u>677,000</u></u>	<u><u>677,000</u></u>

**7. CAPITAL ASSETS:**

The following schedule shows the changes in Capital Assets for the year ended June 30, 2021:

<u>Non-Depreciable Capital Assets</u>	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>ENDING BALANCE</u>
Land	68,348	-	-	68,348
 <u>Depreciable Capital Assets</u>				
Building & Structures	5,464,886	193,069	-	5,657,955
Improvements/Infrastructure	3,160	-	-	3,160
Machinery & Equipment	7,089,313	96,125	(468,491)	6,716,947
Total	<u>12,557,359</u>	<u>289,194</u>	<u>(468,491)</u>	<u>12,378,061</u>
 <u>Accumulated Depreciation</u>				
Building & Structures	(1,902,145)	(146,386)	-	(2,048,531)
Improvements/Infrastructure	(3,160)	-	-	(3,160)
Machinery & Equipment	(2,204,582)	(382,435)	468,491	(2,118,526)
Total	<u>(4,109,887)</u>	<u>(528,821)</u>	<u>468,491</u>	<u>(4,170,217)</u>
 <b><u>NET CAPITAL ASSETS</u></b>	 <u><u>8,515,820</u></u>	 <u><u>(239,627)</u></u>	 <u><u>-</u></u>	 <u><u>8,276,193</u></u>

All depreciation expense of 528,821 was charged to Public Safety for this fiscal year.

**8. POST EMPLOYMENT HEALTH PLANS:**

The District has a defined contribution post-employment health plan for its employees. The benefit plan and its provisions are established under authority of the Internal Revenue Code 501(c)(9). The contribution requirements of the employer are to contribute 2% of each employee's base pay rate per pay period. Employees aren't required to contribute to the plan.

**Oregon Public Employees Retirement System – 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 (currently 60 per month) toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.340 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The Plan is closed to new entrants after January 1, 2004. 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, PO Box 23700, Tigard, OR 97281-3700.

**Funding Policy:** Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employer 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 RHIA 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. 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:** PERS funding policy provides for employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 2017 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2019. The District's contribution rates for the period were 0.06% for Tier One/Tier Two members, and 0.00% for OPSRP members. The District's contributions to RHIA, which equaled the required contributions each year, were included with the payments for the retirement plan described in note 4 above.

**9. RISK MANAGEMENT:**

The District purchases commercial insurance policies to insure against most hazards. There have been no significant reductions in the District's insurance coverage, in any risk category, from coverage in the prior year. The District received significant settlements for damage to the training tower which included 378,308 in the year ended 2020 and 191,444 in the year ended 2021. These proceeds were used to pay for major repairs to the tower.

**10. TAX ABATEMENTS:**

Wasco County has authorized tax-exempt status for six qualified firms within the County: Integrated 3D, LLC, 15 Mile Ventures, LLC, Defiance, Sapa/Hydro, Powder

Pure, and Design, LLC. All properties are required to meet State and Federal funding requirements which include annual physical inspections and an annual audit of financial activity and programmatic compliance. The property tax exemption may be removed if the property is no longer eligible under that stated provisions of ORS 307.540 to 307.548. Section E of the renewal application requires the applicant to acknowledge compliance with the requirements annually. For fiscal year ending June 30, 2021, the forgone property tax revenue due to Design LLC's tax abatement is 3,640,085. Based on the information available from Wasco County as of the date of issuance of these financial statements, the amount of abatements for the other five firms for the year ended June 30, 2021 is deemed immaterial.

**11. SUBSEQUENT EVENTS:**

The possibility of the District's operations to be affected by the ongoing coronavirus disease 2019 (COVID-19) pandemic remains uncertain; however, it may result in a material adverse impact on the District's financial position, operations, and cash flows. Thus far, the District has experienced no such adverse impact.

Subsequent events have been evaluated through the date of this financial statement with management. The date of this financial statement is also the issuance date. Management is not aware of any subsequent events that require recognition or disclosure in the financial statements.

## **Other Information**

## **MAJOR GOVERNMENTAL FUND**

**Debt Service Fund:** The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. This Fund was selected to be a major fund by management of the District in the current year even though it did not meet the applicable thresholds requiring it to be a major fund.

MID-COLUMBIA FIRE & RESCUE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL -- DEBT SERVICE FUND

MODIFIED CASH BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>REVENUES:</u>				
Current Year Taxes	276,830	276,830	279,606	2,776
Prior Year Taxes	4,000	4,000	3,826	(174)
Interest Earned	2,000	2,000	970	(1,030)
<u>TOTAL REVENUES</u>	<u>282,830</u>	<u>282,830</u>	<u>284,402</u>	<u>1,572</u>
<u>EXPENDITURES:</u>				
Debt Service:				
Principal Payments	180,000	180,000	180,000	-
Interest Payments	95,274	95,274	95,131	143
<u>TOTAL DEBT SERVICE</u>	<u>275,274</u>	<u>275,274</u>	<u>275,131</u>	<u>143</u>
<u>TOTAL EXPENDITURES</u>	<u>275,274</u>	<u>275,274</u>	<u>275,131</u>	<u>143</u>
Net Change in Fund Balance	7,556	7,556	9,271	1,715
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>21,048</u>	<u>21,048</u>	<u>29,137</u>	<u>8,089</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>28,604</u>	<u>28,604</u>	<u>38,408</u>	<u>9,804</u>



## NONMAJOR GOVERNMENTAL FUNDS

### COMBINING AND INDIVIDUAL FINANCIAL STATEMENTS & SCHEDULES

**Special Revenue Funds:** are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes.

The funds meeting the above definition are as follows:

**FIRE MED FUND:** This fund was established for ground/air ambulance advance EMS training, equipment and membership promotional supplies. Resources are derived from citizen membership fees.

**STACKER BUTTE FUND:** This fund was established for accumulating resources to maintain a communications tower site at Stacker Butte. Resources include Sub lease and rental fees of the tower with other governmental and business entities.

**Capital Projects Fund:** The Capital Projects Fund is used to account for the accumulation of resources and payment for capital projects including apparatus replacement and facility improvement.

The remaining funds below are presented for Oregon Budget Law purposes and are combined with the General Fund in the Basic Financial Statements:

**EQUIPMENT RESERVE FUND:** This fund was established for accumulating monies to purchase and maintain apparatus.

**FIRE FIGHTING EQUIPMENT RESERVE FUND:** This fund was established to accumulate resources for the replacement of fire suppression equipment.

**BUILDING RESERVE FUND:** This fund was established for the purpose of accumulating monies for station capital projects and for building maintenance and repairs.

**TECHNICAL RESCUE FUND:** This fund was established for accumulating resources to develop and maintain a technical rescue program.

**RETIREMENT LIABILITY FUND:** Established to accumulate monies for retirement of employees in the future.

MID-COLUMBIA FIRE & RESCUE

COMBINING BALANCE SHEET

NON-MAJOR FUNDS

MODIFIED CASH BASIS

JUNE 30, 2021

(all amounts are in dollars)

	<u>CAPITAL PROJECTS FUND</u>	<u>FIRE MED FUND</u>	<u>STACKER BUTTE FUND</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
<u>Assets and Deferred Outflows of Resources:</u>				
<u>Assets:</u>				
Local Government Investment Pool	<u>-</u>	<u>37,189</u>	<u>42,134</u>	<u>79,323</u>
<u>Total Assets</u>	<u>-</u>	<u>37,189</u>	<u>42,134</u>	<u>79,323</u>
 <u>Liabilities and Fund Balance:</u>				
<u>Liabilities</u>	-	-	-	-
<u>Fund Balance:</u>				
Committed	<u>-</u>	<u>37,189</u>	<u>42,134</u>	<u>79,323</u>
<u>Total Liabilities and Fund Balance</u>	<u>-</u>	<u>37,189</u>	<u>42,134</u>	<u>79,323</u>

MID-COLUMBIA FIRE & RESCUE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

MODIFIED CASH BASIS

NON-MAJOR FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(all amounts are in dollars)

	<u>CAPITAL PROJECTS FUND</u>	<u>FIRE MED FUND</u>	<u>STACKER BUTTE FUND</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
<u>REVENUES:</u>				
Interest	242	449	326	1,017
Miscellaneous	-	-	2,345	2,345
Fees	-	46,670	17,669	64,340
<u>TOTAL REVENUES</u>	<u>242</u>	<u>47,119</u>	<u>20,341</u>	<u>67,702</u>
<u>EXPENDITURES:</u>				
Materials & Services	-	-	20,727	20,727
Capital Outlay	79,807	41,234	-	121,041
<u>TOTAL EXPENDITURES</u>	<u>79,807</u>	<u>41,234</u>	<u>20,727</u>	<u>141,768</u>
Excess of Revenues Over/ (Under) Expenditures	(79,565)	5,885	(386)	(74,066)
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers Out	-	(5,000)	-	(5,000)
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>-</u>	<u>(5,000)</u>	<u>-</u>	<u>(5,000)</u>
Net Change in Fund Balance	(79,565)	885	(386)	(79,066)
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>79,565</u>	<u>36,304</u>	<u>42,520</u>	<u>158,389</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>-</u>	<u>37,189</u>	<u>42,134</u>	<u>79,323</u>

MID-COLUMBIA FIRE & RESCUE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL -- CAPITAL PROJECTS FUND

MODIFIED CASH BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>REVENUES:</u>				
Interest Earned	450	450	242	(208)
<u>TOTAL REVENUES</u>	<u>450</u>	<u>450</u>	<u>242</u>	<u>(208)</u>
 <u>EXPENDITURES:</u>				
Capital Outlay	81,456	81,456	79,807	1,649
<u>TOTAL EXPENDITURES</u>	<u>81,456</u>	<u>81,456</u>	<u>79,807</u>	<u>1,649</u>
Net Change in Fund Balance	(81,006)	(81,006)	(79,565)	1,441
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>81,006</u>	<u>81,006</u>	<u>79,565</u>	<u>(1,441)</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

MID-COLUMBIA FIRE & RESCUE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL -- MODIFIED CASH BASIS

FIRE MED FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<u>REVENUES:</u>				
Interest Earned	1,000	1,000	449	(551)
FireMed Fees	45,000	45,000	46,670	1,670
<u>TOTAL REVENUES</u>	<u>46,000</u>	<u>46,000</u>	<u>47,119</u>	<u>1,119</u>
<u>EXPENDITURES:</u>				
Materials & Services	1,000	1,000	-	1,000
Capital Outlay	44,500	44,500	41,234	3,266
<u>TOTAL EXPENDITURES</u>	<u>45,500</u>	<u>45,500</u>	<u>41,234</u>	<u>4,266</u>
Excess of Revenues Over/ (Under) Expenditures	500	500	5,885	5,385
<u>OTHER FINANCING SOURCES AND (USES):</u>				
Transfers Out	(5,000)	(5,000)	(5,000)	-
<u>TOTAL OTHER FINANCING SOURCES AND (USES)</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>
Net Change in Fund Balance	(4,500)	(4,500)	885	5,385
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>26,335</u>	<u>26,335</u>	<u>36,304</u>	<u>9,969</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>21,835</u>	<u>21,835</u>	<u>37,189</u>	<u>15,354</u>

MID-COLUMBIA FIRE & RESCUE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL -- MODIFIED CASH BASIS

STACKER BUTTE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<u>REVENUES:</u>				
Interest Earned	1,000	1,000	326	(674)
SB Consortium Utilities	9,625	9,625	2,345	(7,280)
Sub Lease & Rental Fees	19,170	19,170	17,669	(1,501)
<u>TOTAL REVENUES</u>	<u>29,795</u>	<u>29,795</u>	<u>20,341</u>	<u>(9,454)</u>
<u>EXPENDITURES:</u>				
Materials & Services	25,960	25,960	20,727	5,233
Capital Outlay	2,000	2,000	-	2,000
<u>TOTAL EXPENDITURES</u>	<u>27,960</u>	<u>27,960</u>	<u>20,727</u>	<u>7,233</u>
Net Change in Fund Balance	1,835	1,835	(386)	(2,221)
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>42,423</u>	<u>42,423</u>	<u>42,520</u>	<u>97</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>44,258</u>	<u>44,258</u>	<u>42,134</u>	<u>(2,124)</u>

MID-COLUMBIA FIRE & RESCUE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL -- MODIFIED CASH BASIS

EQUIPMENT RESERVE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<u>REVENUES:</u>				
Interest Earned	3,500	3,500	2,446	(1,054)
<u>TOTAL REVENUES</u>	<u>3,500</u>	<u>3,500</u>	<u>2,446</u>	<u>(1,054)</u>
<u>EXPENDITURES:</u>				
Capital Outlay	700,322	700,322	42,777	657,545
<u>TOTAL EXPENDITURES</u>	<u>700,322</u>	<u>700,322</u>	<u>42,777</u>	<u>657,545</u>
Excess of Revenues Over/ (Under) Expenditures	(696,822)	(696,822)	(40,331)	656,491
<u>OTHER FINANCING SOURCES AND (USES):</u>				
Fixed Asset Sales	75,000	75,000	57,502	(17,498)
Transfers In	410,000	410,000	410,000	-
<u>TOTAL OTHER FINANCING SOURCES AND (USES)</u>	<u>485,000</u>	<u>485,000</u>	<u>467,502</u>	<u>(17,498)</u>
Net Change in Fund Balance	(211,822)	(211,822)	427,171	638,993
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>211,822</u>	<u>211,822</u>	<u>244,024</u>	<u>32,202</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>-</u>	<u>-</u>	<u>671,195</u>	<u>671,195</u>

MID-COLUMBIA FIRE & RESCUE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL -- MODIFIED CASH BASIS

FIRE FIGHTING EQUIPMENT RESERVE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<u>REVENUES:</u>				
Interest Earned	2,500	2,500	1,937	(563)
<u>TOTAL REVENUES</u>	<u>2,500</u>	<u>2,500</u>	<u>1,937</u>	<u>(563)</u>
 <u>EXPENDITURES:</u>				
Capital Outlay	305,580	305,580	41,502	264,078
<u>TOTAL EXPENDITURES</u>	<u>305,580</u>	<u>305,580</u>	<u>41,502</u>	<u>264,078</u>
 Excess of Revenues Over/ (Under) Expenditures	(303,080)	(303,080)	(39,565)	342,645
 <u>OTHER FINANCING SOURCES AND (USES):</u>				
Transfers In	54,780	54,780	54,780	-
<u>TOTAL OTHER FINANCING SOURCES AND (USES)</u>	<u>54,780</u>	<u>54,780</u>	<u>54,780</u>	<u>-</u>
 Net Change in Fund Balance	(248,300)	(248,300)	15,215	233,085
 <u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>248,300</u>	<u>248,300</u>	<u>249,380</u>	<u>(1,080)</u>
 <u>FUND BALANCE - END OF YEAR</u>	<u>-</u>	<u>-</u>	<u>264,595</u>	<u>264,595</u>



MID-COLUMBIA FIRE & RESCUE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL -- MODIFIED CASH BASIS

BUILDING RESERVE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>REVENUES:</u>				
Interest Earned	<u>1,200</u>	<u>1,200</u>	<u>785</u>	<u>(415)</u>
<u>TOTAL REVENUES</u>	<u>1,200</u>	<u>1,200</u>	<u>785</u>	<u>(415)</u>
<u>EXPENDITURES:</u>				
Capital Outlay	<u>335,263</u>	<u>335,263</u>	<u>189,697</u>	<u>145,566</u>
<u>TOTAL EXPENDITURES</u>	<u>335,263</u>	<u>335,263</u>	<u>189,697</u>	<u>145,566</u>
Excess of Revenues Over/ (Under) Expenditures	(334,063)	(334,063)	(188,912)	145,151
<u>OTHER FINANCING SOURCES:</u>				
Transfers In	<u>142,510</u>	<u>142,510</u>	<u>142,510</u>	<u>-</u>
<u>TOTAL OTHER FINANCING SOURCES AND (USES)</u>	<u>142,510</u>	<u>142,510</u>	<u>142,510</u>	<u>-</u>
Net Change in Fund Balance	(191,553)	(191,553)	(46,402)	(145,151)
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>191,553</u>	<u>191,553</u>	<u>151,652</u>	<u>39,901</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>-</u>	<u>-</u>	<u>105,250</u>	<u>105,250</u>

MID-COLUMBIA FIRE & RESCUE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL -- MODIFIED CASH BASIS

TECHNICAL RESCUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>REVENUES:</u>				
Interest Earned	1,000	1,000	422	578
<u>TOTAL REVENUES</u>	<u>1,000</u>	<u>1,000</u>	<u>422</u>	<u>578</u>
<u>EXPENDITURES:</u>				
Materials & Services	1,000	1,000	9	(991)
Capital Outlay	50,902	50,902	-	(50,902)
<u>TOTAL EXPENDITURES</u>	<u>51,902</u>	<u>51,902</u>	<u>9</u>	<u>(51,893)</u>
Excess of Revenues Over/ (Under) Expenditures	(50,902)	(50,902)	413	51,315
<u>OTHER FINANCING SOURCES AND (USES):</u>				
Transfers In	3,710	3,710	3,710	-
<u>TOTAL OTHER FINANCING SOURCES AND (USES)</u>	<u>3,710</u>	<u>3,710</u>	<u>3,710</u>	<u>-</u>
Net Change in Fund Balance	(47,192)	(47,192)	4,123	51,315
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>47,192</u>	<u>47,192</u>	<u>51,551</u>	<u>4,359</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>-</u>	<u>-</u>	<u>55,674</u>	<u>55,674</u>

MID-COLUMBIA FIRE & RESCUE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

WITH BUDGET COMPARISONS -- BUDGETARY BASIS

RETIREMENT LIABILITY FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<u>REVENUES:</u>				
Interest Earned	1,000	1,000	505	(495)
<u>TOTAL REVENUES</u>	<u>1,000</u>	<u>1,000</u>	<u>505</u>	<u>(495)</u>
<u>EXPENDITURES:</u>				
<u>TOTAL EXPENDITURES</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over/ (Under) Expenditures	1,000	(1,000)	(505)	495
<u>OTHER FINANCING SOURCES:</u>				
Transfers In	45,000	45,000	45,000	-
Transfers Out	(21,050)	(21,050)	-	21,050
<u>TOTAL OTHER FINANCING SOURCES AND (USES)</u>	<u>23,950</u>	<u>23,950</u>	<u>45,000</u>	<u>21,050</u>
Net Change in Fund Balance	24,950	24,950	45,505	20,555
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>56,156</u>	<u>56,156</u>	<u>56,240</u>	<u>84</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>81,106</u>	<u>81,106</u>	<u>101,745</u>	<u>20,639</u>



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

We have audited the basic financial statements of Mid-Columbia Fire & Rescue as of and for the year ended June 30, 2021, and have issued our report thereon dated October 1, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

### **Compliance**

As part of obtaining reasonable assurance about whether Mid-Columbia Fire & Rescue's financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

In connection with our testing nothing came to our attention that caused us to believe Mid-Columbia Fire & Rescue 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, except as follows:

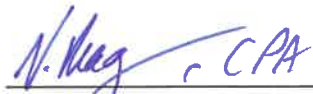
- 1) Expenditures exceeded appropriations as indicated in the notes to the financial statements.

**ORS 162-10-0230 Internal Control**

In planning and performing our audit, we considered Mid-Columbia Fire & Rescue’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Mid-Columbia Fire & Rescue’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control over financial reporting.

We noted matters involving the internal control structure and its operation that we consider a significant deficiency that we have communicated to the management of Mid-Columbia Fire & Rescue in a separate letter dated October 1, 2021.

This report is intended solely for the information and use of the Board of Directors and management of Mid-Columbia Fire & Rescue and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.



For FRIEND & REAGAN, PC  
The Dalles, Oregon  
October 1, 2021