



ADAIR RURAL FIRE PROTECTION DISTRICT
Benton County, Oregon

ANNUAL FINANCIAL REPORT

June 30, 2025



436 1st Avenue W • P.O. Box 1072
Albany, Oregon 97321 • (541) 223-5555

ADAIR RURAL FIRE PROTECTION DISTRICT
Benton County, Oregon

DISTRICT OFFICIALS

June 30, 2025

BOARD MEMBERS

Dick Green, President

Erin Scott, Vice President

Frances Harris, Secretary-Treasurer

Barbara Lower

Becky Merja

**All board members receive mail at the District's address listed below.*

ADMINISTRATION

Aaron Harris, Fire Chief

Frances Harris, Registered Agent

DISTRICT ADDRESS

6021 NE Marcus Harris Avenue
Adair Village, Oregon 97330

ADAIR RURAL FIRE PROTECTION DISTRICT
Benton County, Oregon

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FINANCIAL SECTION



INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Board of Directors
Adair Rural Fire Protection District
Adair Village, Oregon 97330

Management is responsible for the accompanying cash basis financial statements of the governmental activities and each major fund of Adair Rural Fire Protection District, Benton County, Oregon, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants (AICPA). We did not audit or review the financial statements, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements

We draw attention to Note I of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

Accuity, LLC

By: 
Glen O. Kearns, CPA

Albany, Oregon
May 27, 2026

BASIC FINANCIAL STATEMENTS

ADAIR RURAL FIRE PROTECTION DISTRICT
Benton County, Oregon

STATEMENT OF NET POSITION - CASH BASIS

June 30, 2025

	<u>Governmental Activities</u>
ASSETS	
Current assets	
Cash and cash equivalents	<u>\$ 675,566</u>
NET POSITION	
Unrestricted	<u>\$ 675,566</u>

See independent accountant's compilation report and accompanying notes.

ADAIR RURAL FIRE PROTECTION DISTRICT
Benton County, Oregon

STATEMENT OF ACTIVITIES - CASH BASIS

For the Year Ended June 30, 2025

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Capital</u>	<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Grants and</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Changes in</u>
			<u>Contributions</u>	<u>Contributions</u>	<u>Net Position</u>
					<u>Governmental</u>
					<u>Activities</u>
Governmental activities					
Fire protection	\$ 547,547	\$ 256	\$ 17,381	\$ 14,039	\$ (515,871)
General revenues					
Property taxes levied for general purposes					443,453
Investment income					32,822
Intergovernmental					107,376
Miscellaneous					213
					<u>583,864</u>
Total general revenues					583,864
Change in net position					67,993
Net position - beginning					<u>607,573</u>
Net position - ending					<u>\$ 675,566</u>

See independent accountant's compilation report and accompanying notes.

ADAIR RURAL FIRE PROTECTION DISTRICT
Benton County, Oregon

BALANCE SHEET - CASH BASIS

GOVERNMENTAL FUNDS

June 30, 2025

	General Fund	Capital Projects Funds		Total
		Building Reserve	Equipment Reserve	
ASSETS				
Current assets				
Cash and cash equivalents	\$ 104,458	\$ 292,600	\$ 278,508	\$ 675,566
FUND BALANCES				
Committed to:				
Special projects	\$ -	\$ 292,600	\$ -	\$ 292,600
Equipment purchases	-	-	278,508	278,508
Unassigned	104,458	-	-	104,458
Total fund balances	\$ 104,458	\$ 292,600	\$ 278,508	\$ 675,566

See independent accountant's compilation report and accompanying notes.

ADAIR RURAL FIRE PROTECTION DISTRICT
Benton County, Oregon

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
CASH BASIS

GOVERNMENTAL FUNDS

For the Year Ended June 30, 2025

	General Fund	Capital Projects Funds		Total
		Building Reserve	Equipment Reserve	
REVENUES				
Property taxes	\$ 443,453	\$ -	\$ -	\$ 443,453
Conflagration	107,376	-	-	107,376
Charges for services	256	-	-	256
Grants	31,420	-	-	31,420
Investment earnings	9,612	12,724	10,486	32,822
Miscellaneous	213	-	-	213
Total revenues	<u>592,330</u>	<u>12,724</u>	<u>10,486</u>	<u>615,540</u>
EXPENDITURES				
Current				
Fire protection				
Personnel services	307,252	-	-	307,252
Materials and services	214,229	-	-	214,229
Capital outlay	-	10,613	15,453	26,066
Total expenditures	<u>521,481</u>	<u>10,613</u>	<u>15,453</u>	<u>547,547</u>
Excess (deficiency) of revenues over (under) expenditures	<u>70,849</u>	<u>2,111</u>	<u>(4,967)</u>	<u>67,993</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	30,311	87,000	117,311
Transfers out	(117,311)	-	-	(117,311)
Total other financing sources (uses)	<u>(117,311)</u>	<u>30,311</u>	<u>87,000</u>	<u>-</u>
Net change in fund balances	(46,462)	32,422	82,033	67,993
Fund balances - beginning	<u>150,920</u>	<u>260,178</u>	<u>196,475</u>	<u>607,573</u>
Fund balances - ending	<u>\$ 104,458</u>	<u>\$ 292,600</u>	<u>\$ 278,508</u>	<u>\$ 675,566</u>

See independent accountant's compilation report and accompanying notes.

NOTES TO BASIC FINANCIAL STATEMENTS

ADAIR RURAL FIRE PROTECTION DISTRICT
Benton County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Adair Rural Fire Protection District have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported by the District.

B. Reporting Entity

Adair Rural Fire Protection District was formed under the authority of Oregon Revised Statutes (ORS) Chapter 478. The District provides fire protection services to the residents residing within the boundaries of the District. The District is governed by a five-member board of directors elected from the District at large.

C. Basis of Presentation - Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from all of the governmental funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

General Fund - The General Fund is the District's primary operating fund. It accounts for all financial resources of the District except for those required to be accounted for in another fund. The primary source of revenue is property taxes. Expenditures are primarily for fire protection.

ADAIR RURAL FIRE PROTECTION DISTRICT
Benton County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Presentation - Fund Financial Statements (Continued)

Capital Projects Funds

Building Reserve Fund - The Building Reserve Fund accounts for money set aside for acquiring or constructing real property. The primary source of revenue is transfers from the General Fund.

Equipment Reserve Fund - The Equipment Reserve Fund accounts for money set aside for acquiring or replacing equipment. The primary source of revenue is transfers from the General Fund.

Certain activity occurs during the year involving transfers of resources between funds. In the fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in the fund financial statements, certain eliminations are made in preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus within the limitations of the cash basis of accounting, as described below.

The governmental fund financial statements are reported using the current financial resources measurement focus. Only current financial assets and liabilities are generally included on the balance sheet. The operating statements present sources and uses of available expendable financial resources during a given period.

In the government-wide financial statements, governmental activities are presented using the cash basis of accounting. This basis recognizes assets, liabilities, fund balance/net position, revenues, and expenditures when they result from cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

ADAIR RURAL FIRE PROTECTION DISTRICT
Benton County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Measurement Focus and Basis of Accounting (Continued)

As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenues 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 expenses and liabilities) are not recorded in the financial statements.

If the District utilized the basis of accounting recognized as generally accepted, the fund financial statements would use the modified accrual basis of accounting and the government-wide financial statements would be presented on the accrual basis of accounting.

F. Budgetary Information

Annual budgets are adopted on the cash basis of accounting. The District budgets all funds in accordance with the requirements of state law. Annual appropriated budgets are adopted for the general and capital projects funds.

The District begins its budgeting process by appointing budget committee members. The budget officer prepares a budget, which is reviewed by the budget committee. The budget is then published in proposed form and is presented at public hearings to obtain taxpayer comments and approval from the budget committee. The budget is legally adopted by the board of directors by resolution prior to the beginning of the District's fiscal year. The board resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations.

Total personnel services, materials and services, debt service, capital outlay, contingencies, and interfund transfers are the levels of control established by the resolution. The detailed budget document, however, is required to contain more specific detailed information for the aforementioned expenditure categories, and management may revise the detailed line-item budgets within appropriation categories.

Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution. A supplemental budget less than 10% of a fund's original budget may be adopted by the board of directors at a regular board meeting. A supplemental budget greater than 10% of a fund's original budget requires hearings before the public, publication in newspapers, and approval by the board of directors.

Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by the board of directors. During the year, there were no supplemental budgets. The District does not use encumbrances, and appropriations lapse at year end.

ADAIR RURAL FIRE PROTECTION DISTRICT
Benton County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Budgetary Information (Continued)

Budget amounts shown in the financial statements reflect the original budget amounts and three approved appropriation changes.

G. Assets, Liabilities, and Net Position/Fund Balance

1. Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2. Investments

State statutes authorize the District to invest in legally issued general obligations of the United States, the agencies and instrumentalities of the United States and the states of Oregon, Washington, Idaho, or California, certain interest-bearing bonds, time deposit open accounts, certificates of deposit, and savings accounts in banks, mutual savings banks, and savings and loan associations that maintain a head office or a branch in this state in the capacity of a bank, mutual savings bank, or savings and loan association, and share accounts and savings accounts in credit unions in the name of, or for the benefit of, a member of the credit union pursuant to a plan of deferred compensation.

3. Net Position Flow Assumption

Sometimes, the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide 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 net position to have been depleted before unrestricted net position is applied.

4. 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.

ADAIR RURAL FIRE PROTECTION DISTRICT
Benton County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Assets, Liabilities, and Net Position/Fund Balance (Continued)

4. Fund Balance Flow Assumption (Continued)

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.

5. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The restricted fund balance classification includes amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions or by enabling legislation.

The committed fund balance classification 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. The board of directors is the highest level of decision-making authority for the District that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The board of directors has, by resolution, authorized the Fire Chief to assign fund balance. The board of directors may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

ADAIR RURAL FIRE PROTECTION DISTRICT
Benton County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Assets, Liabilities, and Net Position/Fund Balance (Continued)

5. Fund Balance Policies (Continued)

The District reports fund balance in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance - amounts that are in nonspendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance - amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., board of directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest-level action to remove or change the constraint.
- Assigned fund balance - amounts that the District intends to use for a specific purpose. Intent can be expressed by the board of directors or by an official or body to which the board of directors delegates authority.
- Unassigned fund balance - amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

The District has not formally adopted a minimum fund balance policy.

H. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes and other intentionally dedicated resources are reported as general revenues rather than as program revenues.

ADAIR RURAL FIRE PROTECTION DISTRICT
Benton County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Revenues and Expenditures/Expenses (Continued)

2. Property Taxes

Property taxes attach as an enforceable lien on real property and are levied as of July 1. The tax levy is divided into two billings: the first billing (mailed on July 1) is an estimate of the current year's levy based on prior year's taxes; the second billing (mailed on January 1) reflects adjustments to the current year's actual levy. The billings are considered past due 15 days after the respective billing date, at which time the applicable property is subject to lien, and penalties and interest are assessed.

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic remittances of collection to entities levying taxes. Property taxes are levied and become a lien as of July 1 on property values assessed as of June 30. Property taxes are payable in three installments, which are due on November 15, February 15, and May 15.

I. Use of Estimates

The preparation of financial statements in conformity with the cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budget Errors

The amounts of requirements on the District's detailed budget document for each fund did not match the amounts specified on the resolution adopting the budget for the 2024-2025 fiscal year, which is in violation of Oregon Budget Law.

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. Deposits and Investments

Adair Rural Fire Protection District maintains a cash and cash equivalents pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the fund financial statements as cash and cash equivalents. Interest earned on pooled cash and investments is allocated to participating funds based upon their combined cash and investment balances.

ADAIR RURAL FIRE PROTECTION DISTRICT
Benton County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

A. Deposits and Investments (Continued)

Investments, including amounts held in pooled cash and investments, are stated at fair value. In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, investments with a remaining maturity of more than one year at the time of purchase are stated at fair value. The District participates in an external investment pool (State of Oregon Local Government Investment Pool (LGIP)). The LGIP is not registered with the U.S. Securities and Exchange Commission as an investment company. The State's investment policies are governed by Oregon Revised Statutes (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 LGIP are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board, which established diversification percentages and specifies the types and maturities of investments. The portion of the external investment pool that belongs to local government investment participants is reported in an Investment Trust Fund in the State's Annual Comprehensive Financial Report (ACFR). A copy of the State's ACFR may be obtained at the Oregon State Treasury, 867 Hawthorne Avenue SE, Salem, Oregon 97301.

Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or price paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based on the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

- *Level 1* - Unadjusted quoted prices for identical investments in active markets.
- *Level 2* - Observable inputs other than quoted market prices.
- *Level 3* - Unobservable inputs.

The LGIP investments are not required to be categorized under the fair value hierarchy. The fair value of the District's position in the LGIP is the same as the value of the pool shares.

ADAIR RURAL FIRE PROTECTION DISTRICT
Benton County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

A. Deposits and Investments (Continued)

Credit Risk

Oregon statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the Local Government Investment Pool. The District has not adopted an investment policy regarding credit risk; however, investments comply with state statutes.

Investments

As of June 30, 2025, the District had the following investments:

	<u>Credit Quality Rating</u>	<u>Maturities</u>	<u>Fair Value</u>
Oregon Local Government Investment Pool	Unrated	-	<u>\$ 683,386</u>

Interest Rate Risk

The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increases in interest rates.

Concentration of Credit Risk

The District does not have a formal policy that places a limit on the amount that may be invested in any one insurer. 100 percent of the District's investments are in the Oregon Local Government Investment Pool.

Custodial Credit Risk - Investments

This is the risk that, in the event of the failure of a counterparty, the District will not be able to recover the value of its investments that are in the possession of an outside party. The District does not have a policy that limits the amount of investments that can be held by counterparties.

ADAIR RURAL FIRE PROTECTION DISTRICT
Benton County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

A. Deposits and Investments (Continued)

Custodial Credit Risk - Deposits

This is the risk that, in the event of a bank failure, the District's deposits may not be returned. All District deposits not covered by Federal Depository Insurance Corporation (FDIC) insurance are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon, organized in accordance with ORS 295. The PFCP is a shared liability structure for participating bank depositories. Barring any exceptions, a bank depository is required to pledge collateral valued at a minimum of 10% of their quarter-end public fund deposits if they are considered well capitalized, 25% of their quarter-end public fund deposits if they are considered adequately capitalized, or 110% of their quarter-end public fund deposits if they are considered undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities.

The District holds an account at US Bank, for which the FDIC provides insurance coverage of \$250,000. At June 30, 2025, the District's total deposits of \$6,150 were fully insured by the FDIC.

Deposits

The District's deposits and investments at June 30, 2025 are as follows:

Checking account (book overdraft)	\$ (7,820)
Investments	<u>683,386</u>
Total deposits and investments	<u>\$ 675,566</u>

Cash and investments by fund:

Governmental activities - unrestricted	
General Fund	\$ 104,458
Building Reserve Fund	292,600
Equipment Reserve Fund	<u>278,508</u>
Total cash and investments	<u>\$ 675,566</u>

ADAIR RURAL FIRE PROTECTION DISTRICT
Benton County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

B. Interfund Transfers

Operating transfers are reflected as other financing sources (uses) in the governmental funds. Interfund transfers during the year ended June 30, 2025 consisted of:

	Transfers in:		
	Building Reserve Fund	Equipment Reserve Fund	Total
Transfers out:			
General Fund	\$ 30,311	\$ 87,000	\$ 117,311

The primary purpose of the interfund transfers was to reserve funds for future capital projects expenditures.

IV. OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. There was no significant reduction in insurance coverage from the previous year. There were no insurance settlements exceeding insurance coverage in any of the past three years.

B. New Pronouncements

For the fiscal year ended June 30, 2025, the District implemented the following new accounting standard:

GASB Statement No. 102, Certain Risk Disclosures - This statement improves reporting by providing users of financial statements with essential information that previously was not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact.

ADAIR RURAL FIRE PROTECTION DISTRICT
Benton County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

IV. OTHER INFORMATION (Continued)

B. New Pronouncements (Continued)

The District will implement applicable new GASB pronouncements no later than the required fiscal year. Management has not determined the effect on the financial statements for implementing any of the following pronouncements:

GASB Statement No. 103, *Financial Reporting Model Improvements* - The objective of this statement is to improve key components of the financial reporting model. The purposes of the improvements are to (a) enhance the effectiveness of the financial reporting model in providing information that is essential for decision making and assessing a government's accountability and (b) address certain application issues identified through pre-agenda research conducted by the GASB. The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* - This statement establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures required by GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. It also establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

C. Subsequent Events

Management has evaluated subsequent events through May 27, 2026, which was the date that the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

ADAIR RURAL FIRE PROTECTION DISTRICT
Benton County, Oregon

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended June 30, 2025

	Original Budget	Final Budget	Variance with Final Budget Over (Under)	Actual Budget Basis
REVENUES				
Property taxes	\$ 449,916	\$ 449,916	\$ (6,463)	\$ 443,453
Conflagration	80,000	115,181	(7,805)	107,376
Charges for services	20	20	236	256
Grants	28,791	33,771	(2,351)	31,420
Investment earnings	4,500	4,500	5,112	9,612
Miscellaneous	20,000	20,000	(19,787)	213
Total revenues	<u>583,227</u>	<u>623,388</u>	<u>(31,058)</u>	<u>592,330</u>
EXPENDITURES				
Current				
Personnel services	322,500	357,681	(50,429)	307,252
Materials and services	298,416	303,396	(89,167)	214,229
Contingency	10,000	10,000	(10,000)	-
Total expenditures	<u>630,916</u>	<u>671,077</u>	<u>(149,596)</u>	<u>521,481</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(47,689)</u>	<u>(47,689)</u>	<u>118,538</u>	<u>70,849</u>
OTHER FINANCING SOURCES (USES)				
Loan proceeds	20,000	20,000	(20,000)	-
Sale of assets	10,000	10,000	(10,000)	-
Transfers out	(117,311)	(117,311)	-	(117,311)
Total other financing sources (uses)	<u>(87,311)</u>	<u>(87,311)</u>	<u>(30,000)</u>	<u>(117,311)</u>
Net change in fund balance	(135,000)	(135,000)	88,538	(46,462)
Fund balance - beginning	<u>150,000</u>	<u>150,000</u>	<u>920</u>	<u>150,920</u>
Fund balance - ending	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ 89,458</u>	<u>\$ 104,458</u>

See independent accountant's compilation report.

ADAIR RURAL FIRE PROTECTION DISTRICT
Benton County, Oregon

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL

BUILDING RESERVE FUND

For the Year Ended June 30, 2025

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual Budget Basis
REVENUES			
Investment earnings	\$ 10,200	\$ 2,524	\$ 12,724
EXPENDITURES			
Capital outlay	52,520	(41,907)	10,613
Excess (deficiency) of revenues over (under) expenditures	(42,320)	44,431	2,111
OTHER FINANCING SOURCES (USES)			
Transfers in	30,311	-	30,311
Net change in fund balance	(12,009)	44,431	32,422
Fund balance - beginning	277,243	(17,065)	260,178
Fund balance - ending	\$ 265,234	\$ 71,797	\$ 292,600

See independent accountant's compilation report.

ADAIR RURAL FIRE PROTECTION DISTRICT
Benton County, Oregon

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL

EQUIPMENT RESERVE FUND

For the Year Ended June 30, 2025

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual Budget Basis
REVENUES			
Investment earnings	\$ 8,400	\$ 2,086	\$ 10,486
EXPENDITURES			
Capital outlay	35,020	(19,567)	15,453
Excess (deficiency) of revenues over (under) expenditures	(26,620)	21,653	(4,967)
OTHER FINANCING SOURCES (USES)			
Transfers in	87,000	-	87,000
Net change in fund balance	60,380	21,653	82,033
Fund balance - beginning	217,465	(20,990)	196,475
Fund balance - ending	\$ 277,845	\$ 22,316	\$ 278,508

See independent accountant's compilation report.

**REPRESENTATION REQUIRED BY
STATE REGULATIONS**

ADAIR RURAL FIRE PROTECTION DISTRICT

6021 NE Marcus Harris Avenue

Adair Village, Oregon 97330

**MANAGEMENT'S REPRESENTATION OF FISCAL AFFAIRS
REQUIRED BY OREGON REGULATIONS**

Accuity, LLC
Certified Public Accountants
436 1st Avenue W
P.O. Box 1072
Albany, Oregon 97321

Adair Rural Fire Protection District is subject to, and responsible for, compliance with various laws, rules, and regulations relating to its operations and finances. Among such laws, rules, and regulations are the requirements prescribed in Municipal Audit Law (Oregon Revised Statutes (ORS) Chapter 297) and the Minimum Standards for Agreed-Upon Procedures of Oregon Municipal Corporations (Oregon Administrative Rules (OAR) 162, Division 40) including, but not limited to:

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

The management of Adair Rural Fire Protection District is aware of the requirements of Oregon laws and administrative rules concerning each of the above requirements and has complied, in all material respects, with such requirements. Further, we are not aware of any violations or possible violations of laws, rules, or regulations, whose effect should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, except as follows:

1. The amounts of requirements on the District's detailed budget document for each fund did not match the amounts specified on the resolution adopting the budget for the 2024-2025 fiscal year, which is in violation of Oregon Budget Law.

Adair Rural Fire Protection District and its board of directors were covered for the entire year ended June 30, 2025 by a \$100,000 bond.



Aaron Harris, Fire Chief
Adair Rural Fire Protection District

05/27/2026

Date