



ADAIR RURAL FIRE PROTECTION DISTRICT
Benton County, Oregon

ANNUAL FINANCIAL REPORT

June 30, 2024



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ADAIR RURAL FIRE PROTECTION DISTRICT
Benton County, Oregon

DISTRICT OFFICIALS

June 30, 2024

BOARD MEMBERS

Dick Green, President

Erin Scott, Vice President

Frances Harris, Secretary/Treasurer

Mary Hardenbrook

Becky Merja

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

DISTRICT OFFICIALS

Aaron Harris, Fire Chief

Frances Harris, Registered Agent

DISTRICT ADDRESS

6021 NE Marcus Harris Avenue
Corvallis, 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
Corvallis, 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, 2024, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents, in accordance with the cash basis of accounting.

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 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 in accordance with the cash basis of accounting, which is a 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
April 10, 2025

BASIC FINANCIAL STATEMENTS

ADAIR RURAL FIRE PROTECTION DISTRICT
Benton County, Oregon

STATEMENT OF NET POSITION - CASH BASIS

June 30, 2024

| | <u>Governmental Activities</u> |
|---------------------------|------------------------------------|
| ASSETS | |
| Current assets | |
| Cash and cash equivalents | <u>\$ 607,573</u> |
| NET POSITION | |
| Unrestricted | <u>\$ 607,573</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, 2024

| <u>Functions/Programs</u> | <u>Expenses</u> | <u>Program Revenues</u> | | <u>Net (Expense)</u> | |
|--|-------------------|-------------------------|------------------|----------------------|-------------------|
| Governmental activities | Charges for | Operating | Capital | Revenue and | |
| Fire protection | Services | Grants and | Grants and | Changes in | |
| | | Contributions | Contributions | Net Position | |
| | | | | Governmental | |
| | | | | Activities | |
| Fire protection | <u>\$ 521,153</u> | <u>\$ 31,159</u> | <u>\$ 20,000</u> | <u>\$ 41,508</u> | <u>(428,486)</u> |
| General revenues | | | | | |
| Property taxes levied for general purposes | | | | | 431,772 |
| Investment income | | | | | <u>28,657</u> |
| Total general revenues | | | | | <u>460,429</u> |
| Change in net position | | | | | 31,943 |
| Net position - beginning | | | | | <u>575,630</u> |
| Net position - ending | | | | | <u>\$ 607,573</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, 2024

| | General Fund | Building Reserve Fund | Equipment Reserve Fund | Total |
|---------------------------|-------------------|-----------------------------|------------------------------|-------------------|
| ASSETS | | | | |
| Current assets | | | | |
| Cash and cash equivalents | <u>\$ 150,920</u> | <u>\$ 260,178</u> | <u>\$ 196,475</u> | <u>\$ 607,573</u> |
| FUND BALANCES | | | | |
| Committed | \$ - | \$ 260,178 | \$ 196,475 | \$ 456,653 |
| Unassigned | <u>150,920</u> | <u>-</u> | <u>-</u> | <u>150,920</u> |
| Total fund balances | <u>\$ 150,920</u> | <u>\$ 260,178</u> | <u>\$ 196,475</u> | <u>\$ 607,573</u> |

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, 2024

| | General Fund | Building Reserve Fund | Equipment Reserve Fund | Total |
|--|-------------------|-----------------------------|------------------------------|-------------------|
| REVENUES | | | | |
| Property taxes | \$ 431,772 | \$ - | \$ - | \$ 431,772 |
| Conflagration | 27,381 | - | - | 27,381 |
| Charges for services | 3,778 | - | - | 3,778 |
| Grants | 61,508 | - | - | 61,508 |
| Investment earnings | 8,889 | 10,382 | 9,386 | 28,657 |
| Total revenues | <u>533,328</u> | <u>10,382</u> | <u>9,386</u> | <u>553,096</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Fire protection | | | | |
| Personnel services | 181,835 | - | - | 181,835 |
| Materials and services | 238,738 | - | - | 238,738 |
| Capital outlay | 32,512 | - | 68,068 | 100,580 |
| Total expenditures | <u>453,085</u> | <u>-</u> | <u>68,068</u> | <u>521,153</u> |
| Excess (deficiency) of revenues over (under) expenditures | 80,243 | 10,382 | (58,682) | 31,943 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | 69,606 | 69,605 | 139,211 |
| Transfers out | (139,211) | - | - | (139,211) |
| Total other financing sources (uses) | <u>(139,211)</u> | <u>69,606</u> | <u>69,605</u> | <u>-</u> |
| Net change in fund balance | (58,968) | 79,988 | 10,923 | 31,943 |
| Fund balances - beginning | <u>209,888</u> | <u>180,190</u> | <u>185,552</u> | <u>575,630</u> |
| Fund balances - ending | <u>\$ 150,920</u> | <u>\$ 260,178</u> | <u>\$ 196,475</u> | <u>\$ 607,573</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, 2024

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 statements 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 the Oregon Revised Statutes 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 incorporate data from governmental funds. Separate financial statements are provided for all 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 government's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. 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, 2024

Capital Projects Fund

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.

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 and fund financial statements are reported using the economic resources measurement focus within the limitations of the cash basis of accounting, as described below.

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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt is reported as an other financing source.

In the government-wide financial statements and the fund 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, with a provision for depreciation in the government-wide statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. 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 and the government-wide financial statements would be presented on the accrual basis of accounting.

F. Budgetary Information

1. Budgetary Basis of Accounting

The District budgets all funds in accordance with the requirements of state law.

ADAIR RURAL FIRE PROTECTION DISTRICT
Benton County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

Annual appropriated budgets are adopted for general, special revenue, and capital projects funds, if applicable. All funds are budgeted on the cash basis of accounting. 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, capital outlay, contingencies, debt service, 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. Supplemental budgets 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. The District does not use encumbrances, and appropriations lapse at year-end.

Budget amounts shown in the financial statements reflect the original budget amounts

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources 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.

ADAIR RURAL FIRE PROTECTION DISTRICT
Benton County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

3. Capital Assets

Capital assets resulting from cash transactions, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost where no historical records exist. The costs of normal maintenance or repairs that do not add to the value of an asset or materially extend its life are charged to expenditures as incurred and are not capitalized. Major capital outlays for capital assets and improvements are capitalized as projects are constructed. Depreciation is computed using the straight-line method over the following estimated useful lives:

| <u>Assets</u> | <u>Years</u> |
|----------------------------|--------------|
| Buildings and Improvements | 10-20 |
| Equipment | 20 |

4. Net Position Flow Assumption

Sometimes the government 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 government's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

5. Fund Balance Flow Assumption

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

6. 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 government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.

ADAIR RURAL FIRE PROTECTION DISTRICT
Benton County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

The board of directors is the highest level of decision-making authority for the government 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 government for specific purposes but do not meet the criteria to be classified as committed. The board of directors (board) has by resolution authorized the Fire Chief to assign fund balance. The board 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. The District reports fund equity 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.

ADAIR RURAL FIRE PROTECTION DISTRICT
Benton County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

All taxes, including those dedicated for specific purposes and other intentionally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

Property taxes attach as an enforceable lien on real property and are levied as of July 1st. 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. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

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. Additionally, several funds held separate cash accounts. Investments, including amounts held in pooled cash and investments, are stated at fair value. In accordance with Governmental Accounting Standards Board (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). The Pool is not registered with the U.S. Securities and Exchange Commission as an investment company. The State's investment policies are governed by the 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 Pool 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 which 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, 350 Winter St. N.E., Salem, Oregon 97310-0840.

ADAIR RURAL FIRE PROTECTION DISTRICT
Benton County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

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; and,
- Level 3 - Unobservable inputs.

There were no transfers of assets or liabilities among the three levels of the fair value hierarchy for the year ended June 30, 2024. Fair values of assets measured on a recurring basis at June 30, 2024 are as follows:

| | Level 2 |
|----------------------------------|------------|
| Investments: | |
| Local Government Investment Pool | \$ 576,517 |

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, 2024, the District had the following investments:

| | Credit Quality Rating | Maturities | Fair Value |
|----------------------------------|--------------------------|------------|------------|
| Local Government Investment Pool | Unrated | - | \$ 576,517 |

ADAIR RURAL FIRE PROTECTION DISTRICT
Benton County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

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. The District holds no investments.

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.

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 deposits are insured by the FDIC up to \$250,000.

At June 30, 2024, the District had deposits of \$53,773 fully insured by the FDIC.

Deposits

The District's deposits and investments at June 30, 2024 are as follows:

| | |
|--------------------------------|-------------------|
| Checking accounts | \$ 31,056 |
| Investments | <u>576,517</u> |
| Total deposits and investments | <u>\$ 607,573</u> |

ADAIR RURAL FIRE PROTECTION DISTRICT
Benton County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

Cash and investments by fund:

| | |
|--|------------|
| Governmental activities - unrestricted | |
| General Fund | \$ 150,920 |
| Building Reserve Fund | 260,178 |
| Equipment Reserve Fund | 196,475 |
| Total unrestricted | \$ 607,573 |

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Excess of Expenditures Over Appropriations

During the year ended June 30, 2025, the District expended funds in excess of appropriations as follows:

| Fund | Function | Appropriation | Expenditure | Excess |
|---------|----------------|---------------|-------------|-----------|
| General | Capital Outlay | \$ 13,000 | \$ 32,512 | \$ 19,512 |

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, 2024, the District implemented the following new accounting standards:

GASB Statement No. 100, Accounting Changes and Error Corrections. This statement was issued in June 2022 to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

ADAIR RURAL FIRE PROTECTION DISTRICT
Benton County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

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. 102, Certain Risk Disclosures. This statement will improve reporting by providing users of financial statements with essential information that currently is 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. This statement is effective for fiscal years beginning after June 15, 2024.

C. Subsequent Events

Management has evaluated subsequent events through April 10, 2025, which was the date 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, 2024

| | Original and Final Budget | Variance with Final Budget Over (Under) | Actual | | |
|--|---------------------------------|---|-------------------|------------------------------|-------------------|
| | | | Budget Basis | Cash Adjustments Basis | |
| REVENUES | | | | | |
| Property taxes | \$ 429,500 | \$ 2,272 | \$ 431,772 | \$ - | \$ 431,772 |
| Charges for services | 80,000 | (76,222) | 3,778 | - | 3,778 |
| Grants | 8,791 | 52,717 | 61,508 | - | 61,508 |
| Investment earnings | 3,000 | 5,889 | 8,889 | - | 8,889 |
| Miscellaneous | 20,020 | 7,361 | 27,381 | - | 27,381 |
| Total revenues | <u>541,311</u> | <u>(7,983)</u> | <u>533,328</u> | <u>-</u> | <u>533,328</u> |
| EXPENDITURES | | | | | |
| Current | | | | | |
| Personnel services | 250,500 | (68,665) | 181,835 | - | 181,835 |
| Materials and services | 288,600 | (49,862) | 238,738 | - | 238,738 |
| Capital outlay | 13,000 | 19,512 | 32,512 | - | 32,512 |
| Contingency | 10,000 | (10,000) | - | - | - |
| Total expenditures | <u>562,100</u> | <u>(109,015)</u> | <u>453,085</u> | <u>-</u> | <u>453,085</u> |
| Excess (deficiency) of revenues over (under) expenditures | (20,789) | 101,032 | 80,243 | - | 80,243 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Loan proceeds | 15,000 | (15,000) | - | - | - |
| Sale of assets | 10,000 | (10,000) | - | - | - |
| Transfers out | (139,211) | - | (139,211) | - | (139,211) |
| Total other financing sources (uses) | (114,211) | (25,000) | (139,211) | - | (139,211) |
| Net change in fund balance | (135,000) | 76,032 | (58,968) | - | (58,968) |
| Fund balance - beginning | <u>150,000</u> | <u>59,888</u> | <u>209,888</u> | <u>-</u> | <u>209,888</u> |
| Fund balance - ending | <u>\$ 15,000</u> | <u>\$ 135,920</u> | <u>\$ 150,920</u> | <u>\$ -</u> | <u>\$ 150,920</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, 2024

| | Original and Final Budget | Variance with Final Budget Over (Under) | Actual | |
|--|---------------------------------|---|-------------------|-------------------|
| | | | Budget Basis | Cash Basis |
| REVENUES | | | | |
| Investment earnings | \$ 7,200 | \$ 3,182 | \$ 10,382 | \$ 10,382 |
| EXPENDITURES | | | | |
| Capital Outlay | 150,020 | (150,020) | - | - |
| Excess (deficiency) of revenues over (under) expenditures | (142,820) | 153,202 | 10,382 | 10,382 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 69,606 | - | 69,606 | 69,606 |
| Net change in fund balance | (73,214) | 153,202 | 79,988 | 79,988 |
| Fund balance - beginning | 179,899 | 291 | 180,190 | 180,190 |
| Fund balance - ending | <u>\$ 106,685</u> | <u>\$ 306,695</u> | <u>\$ 260,178</u> | <u>\$ 260,178</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

EQUIPMENT RESERVE FUND

For the Year Ended June 30, 2024

| | Original and Final Budget | Variance with Final Budget Over (Under) | Actual | |
|--|---------------------------------|---|-----------------|---------------|
| | | | Budget Basis | Cash Basis |
| REVENUES | | | | |
| Investment earnings | \$ 7,200 | \$ 2,186 | \$ 9,386 | \$ 9,386 |
| EXPENDITURES | | | | |
| Capital Outlay | 99,520 | (31,452) | 68,068 | 68,068 |
| Excess (deficiency) of revenues over (under) expenditures | (92,320) | 33,638 | (58,682) | (58,682) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 69,605 | - | 69,605 | 69,605 |
| Net change in fund balance | (22,715) | 33,638 | 10,923 | 10,923 |
| Fund balance - beginning | 199,330 | (13,778) | 185,552 | 185,552 |
| Fund balance - ending | \$ 176,615 | \$ 53,498 | \$ 196,475 | \$ 196,475 |

See independent accountant's compilation report.

**REVIEW REPRESENTATIONS
REQUIRED BY STATE REGULATIONS**

ADAIR RURAL FIRE PROTECTION DISTRICT
Corvallis, Oregon 97330

MANAGEMENT'S REPRESENTATION OF FISCAL AFFAIRS
REQUIRED BY OREGON REGULATION

Accuity, LLC
Certified Public Accountants
436 1st Avenue W
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 (ORS Chapter 297) and the Minimum Standards for Review of Oregon Municipal Corporations (OAR 162, Division 40) including, but not limited to:

Deposit of public funds with financial institutions (ORS Chapter 295)

Indebtedness limitations, restrictions, and repayment

Budgets legally required (ORS Chapter 294)

Insurance and fidelity bonds in force or required by law

Programs funded from outside sources

Authorized investment of surplus funds (ORS Chapter 294)

Public contracts and purchasing (ORS Chapters 279A, 279B, 279C)

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:


A. Excess of Expenditures Over Appropriations

During the year ended June 30, 2025, the District expended funds in excess of appropriations as follows:

| <u>Fund</u> | <u>Function</u> | <u>Appropriation</u> | <u>Expenditure</u> | <u>Excess</u> |
|-------------|-----------------|----------------------|--------------------|---------------|
| General | Capital Outlay | \$ 13,000 | \$ 32,512 | \$ 19,512 |

Statement Required by ORS 297.435 (3)(c)

The board of directors and Adair Rural Fire Protection District were covered the entire year ended June 30, 2024, with a \$100,000 bond.



Fire Chief

4/10/25

Date