

**SOUTHWESTERN POLK COUNTY  
RURAL FIRE PROTECTION DISTRICT  
DALLAS, OREGON**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2021**



**12700 SW 72<sup>nd</sup> Ave.  
Tigard, OR 97223**

**SOUTHWESTERN POLK COUNTY  
RURAL FIRE PROTECTION DISTRICT  
DALLAS, OREGON**

**MODIFIED CASH BASIS FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2021**

\*\*\*\*\*

**This Page Intentionally Left Blank**

**SOUTHWESTERN POLK COUNTY  
RURAL FIRE PROTECTION DISTRICT  
DALLAS, OREGON**

<b><u>BOARD OF DIRECTORS</u></b>	<b><u>POSITION</u></b>	<b><u>TERM EXPIRES</u></b>
Rod Watson – President	#5	June 2021
Frank Pender, Jr. – Vice President	#2	June 2023
Bob Davis – Secretary/Treasurer	#4	June 2023
Bruce Sigloh – Board Member	#3	June 2021
Keith Moore – Board Member	#1	June 2021

All Directors receive mail at the administration address below:

**ADMINISTRATION**

Fred Hertel, District Fire Chief

Southwestern Polk County  
Rural Fire Protection District  
15455 Salt Creek Road  
Dallas, OR 97338  
(503) 925-42753  
fhertel@swpolkfd.org

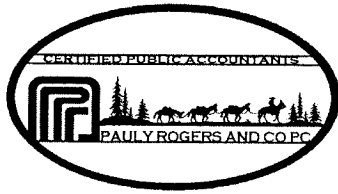
**This Page Intentionally Left Blank**

**SOUTHWESTERN POLK COUNTY  
RURAL FIRE PROTECTION DISTRICT  
DALLAS, OREGON**

TABLE OF CONTENTS

	<b><u>PAGE NUMBER</u></b>
Independent Auditors' Report	i
<b><u>SUPPLEMENTARY INFORMATION</u></b>	
Management's Discussion and Analysis	iii
<b><u>BASIC FINANCIAL STATEMENTS</u></b>	
Government-wide Statements:	
Statement of Net Position – <i>Modified Cash Basis</i>	1
Statement of Activities – <i>Modified Cash Basis</i>	2
Fund Financial Statements:	
Balance Sheet – <i>Modified Cash Basis</i>	3
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	4
Statement of Receipts, Disbursements and Changes in Fund Balances – <i>Modified Cash Basis</i> Government Funds	5
Reconciliation of the Statement of Receipts, Disbursements and Changes in Fund Balances – Governmental Funds to the Statement of Activities	6
Notes to the Basic Financial Statements	7
<b><u>SUPPLEMENTARY INFORMATION</u></b>	
Schedule of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual	
(Cash Basis): General Fund	18
(Cash Basis): Volunteer Spending Authority Fund	19
(Cash Basis): Capital Projects Fund	20
(Cash Basis): Bonded Debt Fund	21
Schedule of Property Tax Transactions and Balances of Tax Uncollected	22
<b><u>REPORTS ON LEGAL AND OTHER REGULATORY REQUIREMENTS</u></b>	
Independent Auditors' Report Required by Oregon State Regulations	23

**This Page Intentionally Left Blank**



**PAULY, ROGERS AND Co., P.C.**  
12700 SW 72<sup>nd</sup> Ave. ♦ Tigard, OR 97223  
(503) 620-2632 ♦ (503) 684-7523 FAX  
www.paulyrogersandcocpas.com

May 4, 2022

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Southwestern Polk County  
Rural Fire Protection District  
Polk County, Oregon

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

We have audited the accompanying modified cash basis basic financial statements of the governmental activities, and each major fund, of Southwestern Polk County Rural Fire Protection District (the District), as of and for the year ended June 30, 2021, and the related notes to the basic financial statements, which collectively comprise the modified cash basis 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 basic 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 basic 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 modified cash basis basic financial statements that are free from material misstatement, whether due to error or fraud.

### **Auditors' Responsibility**

Our responsibility is to express opinions on these modified cash basis basic 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 modified cash basis basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the modified cash basis basic financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the modified cash basis basic financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the modified cash basis basic 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 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 modified cash basis basic 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 modified cash basis basic financial statements referred to above present fairly, in all material respects, the respective financial position—modified cash basis of the governmental activities and each major fund of Southwestern Polk County Rural Fire Protection District, as of June 30, 2021, and the respective changes in financial position—modified cash basis, thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

## **Other Matters**

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the modified cash basis basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the modified cash basis basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the modified cash basis basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the modified cash basis 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 modified cash basis 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 supplementary information is fairly stated, in all material respects, in relation to the modified cash basis basic financial statements as a whole.

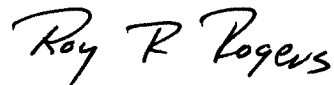
The management's discussion and analysis has not been subjected to the auditing procedures applied to the audit of the modified cash basis basic financial statements and we do not express an opinion or provide any assurance on it.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the modified cash basis basic financial statements. The listing of board members, containing their term expiration dates, located before the table of contents, has not been subjected to the auditing procedures applied on 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 May 4, 2022, 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.



ROY R. ROGERS, CPA  
PAULY, ROGERS AND CO., P.C.

## **SOUTHWESTERN POLK COUNTY FIRE DISTRICT, OREGON**

### **Management's Discussion and Analysis (MD&A)**

This section of the Southwestern Polk County Fire District (District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2021. Please read it in conjunction with the financial statements and notes, which follow this section.

#### **FINANCIAL HIGHLIGHTS**

- Total Net Position was \$1,764,040 on June 30, 2021.
- The general fund reported a fund balance this year of \$342,935.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and the supplementary information. The basic financial statements include two kinds of statements that present different views of the District.

The first two statements are government-wide financial statements that provide both long-term and short-term information about the overall financial status.

The basic financial statements also include notes that explain some of the information in the basic financial statements and provide more detailed data. The statements are followed by a section of supplementary information that further explains and supports the information in the financial statements. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

#### **Government-wide Statements**

The government-wide statements are designed to provide readers with a broad review of the District's finances in a manner similar to a private-sector business. The current year's receipts and disbursements are accounted for in the Statement of Activities when cash is received or paid. The two government-wide statements report the Net Position and how it has changed. Net Position - the difference between the assets and liabilities - is one way to measure the financial health or position.

- Over time, increases or decreases to the Net Position are an indicator of whether the financial health is improving or deteriorating.
- To assess the overall health, one needs to consider additional non-financial factors such as changes in tax base.

The government-wide financial statements include the Governmental activities. Basic services are included here. Property taxes and earnings on investments finance most of these activities.

## Fund Financial Statements

The fund financial statements provide more detailed information about the most significant funds - not the Fire District as a whole. Funds are accounting devices that are used to keep track of specific sources of funding and spending for particular purposes.

The following funds exist in the financial statements:

- Governmental funds - The basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

### SUMMARY OF NET POSITION (MODIFIED CASH BASIS)

	2021	2020
<b>ASSETS</b>		
Cash and Investments	\$ 956,632	\$ 4,706,050
Intergovernmental Accounts Receivable	3,078	
Capital Assets, net of depreciation	5,760,140	459,599
<b>Total Assets</b>	<b>\$ 6,719,850</b>	<b>\$ 5,165,649</b>
<b>LIABILITIES</b>		
Long-term Obligations, due within one year	\$ 263,817	\$ 243,817
Long-term Obligations, due in more than one year	4,691,993	4,955,810
<b>Total Liabilities</b>	<b>4,955,810</b>	<b>5,199,627</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	\$ 852,691	\$ -
Unrestricted	911,349	(33,978)
<b>Total Modified Cash Basis Net Position</b>	<b>\$ 1,764,040</b>	<b>\$ (33,978)</b>

## CHANGES IN NET POSITION

### CHANGES IN NET POSITION (MODIFIED CASH BASIS)

	2021	2020
Net Program Disbursements		
Fire Protection	\$ (1,145,520)	(2,083,013)
General Receipts		
Taxes	916,595	887,460
Earnings on Investments	21,388	103,646
Charges for Services	35,288	-
Operating Grants and Contributions	504,040	-
Miscellaneous	26,379	58,594
Total Receipts	1,503,690	1,049,700
Change in Net Position - Modified Cash Basis	358,170	(1,033,313)
Beginning Net Position – Modified Cash Basis	(33,978)	999,335
Prior Period Adjustment	1,439,848	-
Ending Net Position – Modified Cash Basis	\$ 1,764,040	(33,978)

The modified cash basis net position of the District increased primarily due to grant and contributions in 2020-21. The net position increase is largely due to the major disbursements on bond funded capital projects.

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Receipts from governmental fund types totaled \$1,503,690 in 2021. Governmental fund balances totaled \$959,710 at June 30, 2021. A summary of changes in governmental fund balances follows:

### CHANGES IN GOVERNMENTAL FUND BALANCES

	June 30, 2021	July 1, 2020	Change
General Fund	\$ 342,935	291,287	\$ 51,648
Volunteer Spending Authority Fund	32,512	35,945	(3,433)
Capital Projects Fund	290,854	3,996,640	(3,705,786)
Bonded Debt Fund	293,409	382,178	(88,769)
Total	\$ 959,710	\$ 4,706,050	\$ (3,746,340)

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The budget performance was as authorized, as outlined in the Governmental Fund Schedule of Receipts, Disbursements and Changes in Fund Balances –Budget and Actual (Cash Basis). There was a minor increase in General Fund ending fund balance in 2020-21. In the General Fund, actual receipts and actual disbursements were lower than budgeted.

Within fiscal year 2020-21 for SW Polk Fire District, the most significant change was the transition out of the previous intergovernmental agreement (IGA) with Sheridan and West Valley Fire Districts. The separation from this IGA lead to a transition in financial employees creating inconsistencies within accounting practices for the District. Other significant changes will be outlined below.

### **General Fund**

General Fund Receipts – Receipts increased from \$1,049,700 in the prior year to \$1,503,690 in 2020-21.

General Fund Disbursements – This year we expanded our disbursements including new administrative, training, finance and fire & life safety compliance services.

Transfer to Special Funds – \$22,000 was budgeted to be transferred to the Volunteer Spending Authority Fund.

Unappropriated Ending Fund Balance – Money that is set aside to assist the District in meeting expenses during the July to November timeframe when minimal to no tax revenues are received.

Economic Factors – The District receives most of its receipts from property taxes. The assessed value of property within the District is expected to continue modest growth.

Overall Financial Position – As of June 30, 2021, the General Fund had a cash basis fund balance of \$342,935 and Total Governmental Funds had a modified cash basis fund balance of \$959,710.

## **CAPITAL ASSETS**

At June 30, 2021, the District had \$5,760,140 in capital assets, net of depreciation, and there was \$852,691 net investment in capital assets. More detailed information about the capital assets is presented in Note 3 within the notes to the basic financial statements.

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

Our financial report is designed to provide our taxpayers, ratepayers, investors and creditors with an overview of the District's finances. If you have any questions about this report or need any clarification of information, please contact the Southwestern Polk County Rural Fire Protection District. Our address is: 15455 Salt Creek Road Dallas, OR 97338.

**SOUTHWESTERN POLK COUNTY  
RURAL FIRE PROTECTION DISTRICT  
DALLAS, OREGON**

**BASIC FINANCIAL STATEMENTS**

**This Page Intentionally Left Blank**

**SOUTHWESTERN POLK COUNTY RURAL FIRE DISTRICT**  
**POLK COUNTY, OREGON**

**STATEMENT OF NET POSITION (MODIFIED CASH BASIS)**  
**June 30, 2021**

---

ASSETS

Cash and Investments	\$ 956,632
Intergovernmental Accounts Receivable	3,078
Capital Assets, net of depreciation	<u>5,760,140</u>
Total Assets	<u>6,719,850</u>

LIABILITIES

Long-Term Obligations, due within one year	263,817
Long-Term Obligations, due in more than one year	<u>4,691,993</u>
Total Liabilities	<u>4,955,810</u>

NET POSITION

Net Investment in Capital Assets	852,691
Unrestricted	<u>911,349</u>
Total Modified Cash Basis Net Position	<u><u>\$ 1,764,040</u></u>

See accompanying notes to the basic financial statements.



**SOUTHWESTERN POLK COUNTY RURAL FIRE DISTRICT**  
**POLK COUNTY, OREGON**

**STATEMENT OF ACTIVITIES (MODIFIED CASH BASIS)**  
**For the Year Ended June 30, 2021**

FUNCTIONS	DISBURSEMENTS	PROGRAM RECEIPTS		NET RECEIPTS (DISBURSEMENTS)
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
Governmental Activities:				
Fire Protection	\$ 1,145,520	\$ 35,288	\$ 504,040	\$ (606,192)
Total	<u>\$ 1,145,520</u>	<u>\$ 35,288</u>	<u>\$ 504,040</u>	<u>(606,192)</u>
General Receipts:				
				916,595
				21,388
				<u>26,379</u>
				<u>964,362</u>
				358,170
				(33,978)
				<u>1,439,848</u>
				<u>\$ 1,764,040</u>

See accompanying notes to the basic financial statements.

**SOUTHWESTERN POLK COUNTY RURAL FIRE DISTRICT  
POLK COUNTY, OREGON**

**BALANCE SHEET (MODIFIED CASH BASIS)  
June 30, 2021**

	GENERAL FUND	VOLUNTEER SPENDING AUTHORITY FUND	CAPITAL PROJECTS FUND	BONDED DEBT FUND	TOTAL
<b>ASSETS</b>					
Cash and Investments	\$ 333,823	\$ 34,883	\$ 294,517	\$ 293,409	\$ 956,632
Due From Other Funds	6,034	-	-	-	6,034
Intergovernmental Receivable	3,078	-	-	-	3,078
<b>Total Assets</b>	<b>\$ 342,935</b>	<b>\$ 34,883</b>	<b>\$ 294,517</b>	<b>\$ 293,409</b>	<b>\$ 965,744</b>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>Liabilities</b>					
Due To Other Funds	\$ -	\$ 2,371	\$ 3,663	\$ -	\$ 6,034
<b>Total Liabilities</b>	<b>-</b>	<b>2,371</b>	<b>3,663</b>	<b>-</b>	<b>6,034</b>
<b>Fund Balance</b>					
Assigned	-	32,512	290,854	293,409	616,775
Unassigned	342,935	-	-	-	342,935
<b>Total Fund Balance</b>	<b>342,935</b>	<b>32,512</b>	<b>290,854</b>	<b>293,409</b>	<b>959,710</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 342,935</b>	<b>\$ 34,883</b>	<b>\$ 294,517</b>	<b>\$ 293,409</b>	<b>\$ 965,744</b>

See accompanying notes to the basic financial statements.

**SOUTHWESTERN POLK COUNTY RURAL FIRE DISTRICT**  
**POLK COUNTY, OREGON**

**RECONCILIATION OF GOVERNMENTAL FUND BALANCE SHEET - MODIFIED CASH BASIS**  
**TO THE STATEMENT OF NET POSITION - MODIFIED CASH BASIS**

**June 30, 2021**

Total Modified Cash Basis Fund Balances – Governmental Funds	\$	959,710
--	----	---------

Capital assets are not financial resources and therefore are not reported in the governmental funds.		
Net Capital Assets		5,760,140

Long-term obligations proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. While repayment of loan principal is an expenditure in the governmental funds, it reduces long-term liabilities in the Statement of Net Position.

Long Term Liabilities:		
Bonds Payable	\$ 4,670,000	
Premium on Bonds Payable	285,810	(4,955,810)

Net Position - Modified Cash Basis	\$	<u>1,764,040</u>
------------------------------------	----	------------------

See accompanying notes to basic financial statements.

**SOUTHWESTERN POLK COUNTY RURAL FIRE DISTRICT  
POLK COUNTY, OREGON**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCES (MODIFIED CASH BASIS)  
For the Year Ended June 30, 2021**

	GOVERNMENTAL FUNDS				TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	VOLUNTEER SPENDING AUTHORITY FUND	CAPITAL PROJECTS FUND	BONDED DEBT FUND	
<b>RECEIPTS</b>					
Taxes	\$ 594,188	\$ -	\$ -	\$ 322,407	\$ 916,595
Earnings on Investments	8,814	-	12,574	-	21,388
Grant Income	504,040	-	-	-	504,040
Conflagration	35,288	-	-	-	35,288
Miscellaneous	26,329	50	-	-	26,379
<b>Total Receipts</b>	<b>1,168,659</b>	<b>50</b>	<b>12,574</b>	<b>322,407</b>	<b>1,503,690</b>
<b>DISBURSEMENTS</b>					
Current:					
Personal Services	4,250	-	-	-	4,250
Materials and Services	836,607	25,483	-	-	862,090
Capital Outlay	11,661	-	3,960,853	-	3,972,514
Debt Service	-	-	-	411,176	411,176
<b>Total Disbursements</b>	<b>852,518</b>	<b>25,483</b>	<b>3,960,853</b>	<b>411,176</b>	<b>5,250,030</b>
<b>EXCESS OF RECEIPTS OVER DISBURSEMENTS</b>	<b>316,141</b>	<b>(25,433)</b>	<b>(3,948,279)</b>	<b>(88,769)</b>	<b>(3,746,340)</b>
<b>OTHER FINANCING SOURCES/USES</b>					
Transfers In	-	22,000	-	-	22,000
Transfers Out	(22,000)	-	-	-	(22,000)
<b>Total other Financing Sources/Uses</b>	<b>(22,000)</b>	<b>22,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>294,141</b>	<b>(3,433)</b>	<b>(3,948,279)</b>	<b>(88,769)</b>	<b>(3,746,340)</b>
<b>MODIFIED CASH BASIS FUND BALANCE - BEGINNING OF YEAR</b>	<b>291,287</b>	<b>35,945</b>	<b>3,996,640</b>	<b>382,178</b>	<b>4,706,050</b>
<b>PRIOR PERIOD ADJUSTMENT (SEE NOTE 11)</b>	<b>(242,493)</b>	<b>-</b>	<b>242,493</b>	<b>-</b>	<b>-</b>
<b>MODIFIED CASH BASIS FUND BALANCE - END OF YEAR</b>	<b>\$ 342,935</b>	<b>\$ 32,512</b>	<b>\$ 290,854</b>	<b>\$ 293,409</b>	<b>\$ 959,710</b>

See accompanying notes to the basic financial statements.

**SOUTHWESTERN POLK COUNTY RURAL FIRE DISTRICT**  
**POLK COUNTY, OREGON**

**RECONCILIATION OF GOVERNMENTAL FUND STATEMENT OF  
RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS  
TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**  
**For the Year Ended June 30, 2021**

---

Net Changes in Fund Balances - Governmental Funds \$ (3,746,340)

In the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense. In the governmental fund financial statements, depreciation is not an expenditure and is not recorded.

Capital Asset Additions	\$	3,939,762	
Depreciation Expense		<u>(79,069)</u>	3,860,693

Governmental funds reported the effect of, premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of Activities.

Amorization of Premiums, GO Bonds	23,817
-----------------------------------	--------

Long-term obligations proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. While repayment of loan principal is an expenditure in the governmental funds, it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.

Principal repaid (net)	<u>220,000</u>
------------------------	----------------

Change in Net Position of Governmental Activities	<u><u>\$ 358,170</u></u>
---	--------------------------

See accompanying notes to basic financial statements.

**SOUTHWESTERN POLK COUNTY  
RURAL FIRE PROTECTION DISTRICT  
DALLAS, OREGON**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**This Page Intentionally Left Blank**

SOUTHWESTERN POLK COUNTY  
RURAL FIRE PROTECTION DISTRICT  
DALLAS, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. THE FINANCIAL REPORTING ENTITY

The District was organized under provisions of Oregon Statutes Chapter 478, in 1947, for the purpose of providing fire protection and other emergency services. The District is a municipal corporation governed by an elected Board. As required by accounting principles generally accepted in the United States of America, these financial statements present Southwestern Polk County Rural Fire Protection District (the primary government) and any component units. Component units, as established by GASB Statement 61, are separate organizations that are included in the District's reporting because of the significance of their operational or financial relationships with the District. There are no component units.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION

The Cash Basis of accounting is followed except for Capital Assets and Long Term Obligations that are recorded in the Statement of Financial Position. Under the Modified Cash Basis of accounting, receipts are recorded when received and disbursements are recorded as paid. This basis of accounting is applied to both the government-wide financial statements and the governmental fund financial statements uniformly.

This basis of accounting is not equivalent to the generally accepted accounting principles (GAAP) basis of accounting. Under GAAP the fund financial statements require that revenues be recorded as they become susceptible to accrual (i.e. when they become measurable and available) and expenditures recorded as goods and services received. For the government-wide statements GAAP requires that the accrual basis of accounting be applied. Under the accrual basis of accounting the cost of capital assets is capitalized and depreciated over their estimated useful lives, debt is recorded as incurred, revenues are recorded when earned irrespective of the collection of cash, and disbursements, including depreciation, are recorded when incurred. Management believes the Modified Cash Basis of accounting is preferable due to the District's small size and the necessity of assessing available cash resources.

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* (GASB 34) is followed, as it is applicable to Modified Cash Basis financial statements. The Statement requires that the government-wide and fund financial statements be presented and reconciled between the two types of statements, if necessary.

The government-wide statements report information irrespective of fund activity, and the fund financial statements report information using the funds. In total, the results presented using both of these methods are substantially the same, except for the elimination of interfund activity and modifications noted earlier. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities, and the capital assets and long term liabilities are not recoded on the fund financial statements.

General receipts are property and related taxes and interest. All disbursements are categorized as program disbursements.



SOUTHWESTERN POLK COUNTY  
RURAL FIRE PROTECTION DISTRICT  
DALLAS, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUND BALANCE

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*, is followed. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications are nonspendable, restricted, committed, assigned, and unassigned.

Nonspendable fund balance represents amounts that are not in a spendable form.

Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).

Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.

Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body. The Fire Chief and Administrative Assistant have been granted the authority to assign fund balances.

Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

There are no nonspendable, restricted or committed fund balances at year end.

The Board has not established a policy on the order in which resources are to be spent. As a result of this, the default approach assumes that restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and unassigned.

C. BASIS OF PRESENTATION – FUND ACCOUNTING

Financial Operations are accounted for in the following major funds:

GENERAL FUND

This fund accounts for all financial receipts and disbursements, except those required to be accounted for in another fund. The principal source of receipts is property taxes.

SOUTHWESTERN POLK COUNTY  
RURAL FIRE PROTECTION DISTRICT  
DALLAS, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

VOLUNTEER SPENDING AUTHORITY FUND

This fund (formerly known as the Station 130 fund) accounts for all financial receipts and disbursements for the Southwestern Polk Volunteer Association, a sub-entity of the District.

CAPITAL PROJECTS FUND

This fund accounts for the accumulation of resources for construction projects. The principal revenue source is bond proceeds.

BONDED DEBT FUND

This fund is used for the repayment of long term obligations. The principal source of revenue is property taxes.

D. BUDGET

A budget is prepared and legally adopted for each governmental fund type on the Cash Basis of accounting in the main program categories required by Oregon Local Budget Law. The budgets for all budgeted funds are adopted on a basis consistent with the Cash Basis of accounting. This basis of accounting is allowed under Oregon Local Budget Law.

The budget process begins early in each fiscal year with the establishment of the budget committee. Recommendations are developed through late winter with the budget committee approving the budget in early spring. Public notices of the budget hearing are generally published in spring with a public hearing being held approximately three weeks later. The Board may amend the budget prior to adoption. However, budgeted disbursements for each fund may not be increased by more than ten percent without re-publication. The budget is then adopted, appropriations are made, and the tax levy declared no later than June 30th.

Disbursements budgets are appropriated at the following levels for each fund: Personal Services, Materials and Services, Capital Outlay, Debt Service, Interfund Transactions, and Operating Contingency.

Disbursements cannot legally exceed the adopted appropriation levels except in the case of grants which could not be estimated at the time of budget adoption. Appropriations lapse at the fiscal year-end. Management may amend line items in the budget without Board approval as long as appropriation levels (the legal level of control) are not changed. Supplemental appropriations may occur if the Board approves them due to unforeseen circumstances which could not be determined at the time the budget was adopted.

Budget amounts shown in the budgetary financial statements reflect the original appropriations and appropriation transfers. Disbursements in the various funds were within authorized appropriations for the year ended June 30, 2021.

SOUTHWESTERN POLK COUNTY  
RURAL FIRE PROTECTION DISTRICT  
DALLAS, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. PROPERTY TAXES RECEIVABLE

Property taxes are levied by the County Assessor and collected by the County Tax Collector. The taxes are levied and become a lien as of July 1. They may be paid in three installments payable in equal payments due November 15, February 15, and May 15. Since the District reports information on the modified cash basis method of accounting, no accrual for property tax receivables has been recorded in the basic financial statements.

F. CAPITAL ASSETS

The accounting treatment for property, plant and equipment (capital assets) depends on whether they are reported in the government-wide or fund financial statements.

Government-Wide Statements

In the government-wide financial statements, capital assets arising from cash truncations 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.

Depreciation of all exhaustible capital assets arising from cash transactions is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The District capitalizes assets purchased or constructed with an individual cost of more than \$5,000 and an estimated useful life in excess of one year. The range of estimated useful lives by type of asset is as follow:

Buildings and Improvements	50 years
Vehicles	10 years
Equipment	5 years

Fund Financial Statements

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

G. USE OF ESTIMATES

The preparation of the basic financial statements in conformity with the Modified Cash Basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of receipts and disbursements during the reporting period. Actual results could differ from those estimates.

H. NET POSITION

Net position is comprised of the various net earnings from operations, non-operating receipts, disbursements and contributions of capital. Net position is classified in the following three categories.

SOUTHWESTERN POLK COUNTY  
RURAL FIRE PROTECTION DISTRICT  
DALLAS, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide Statements

Net Investment in Capital Assets – consists of capital assets, including restricted 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 acquisitions, construction, or improvements of those assets and adjusted for any deferred inflows and outflows of resources attributable to capital assets and related debt.

Restricted – consists of external constraints placed on asset use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. There was no restricted net position at June 30, 2021.

Unrestricted – consists of all other assets that are not included in the restricted category previously mentioned.

It is the District's policy to first use 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 resources are available.

I. FAIR VALUE INPUTS AND METHODOLOGIES AND HIERARCHY

Fair value is defined as the price that would be received to sell an asset or 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 up 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 price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access

**Level 2** – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market–corroborated inputs)

**Level 3** – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund's own assumptions used in determining the fair value of investments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

SOUTHWESTERN POLK COUNTY  
RURAL FIRE PROTECTION DISTRICT  
DALLAS, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. EMPLOYEES

The District has no employees and all transactions are administered through Sheridan Fire District.

2. CASH AND INVESTMENTS

Cash management policies are governed by state statutes. Statutes authorize investing in banker's acceptances, time certificates of deposit, repurchase agreements, obligations of the United States and its agencies and instrumentalities, and the Oregon State Treasurer's Local Government Investment Pool.

Cash and Investments at June 30, 2021 consisted of:

Checking	\$ 97,041
Investments	<u>859,591</u>
Total Cash and Investments	<u>\$ 956,632</u>

DEPOSITS

Deposits with financial institutions include bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury. The total bank balance per the bank statements as of June 30, 2021 was \$118,462, all of which was covered by federal depository insurance.

CREDIT RISK – DEPOSITS

In the case of deposits, this is the risk that in the event of a bank failure, deposits may not be returned. There is no deposit policy for custodial credit risk. As of June 30, 2021, none of the bank balances were exposed to custodial credit risk.

SOUTHWESTERN POLK COUNTY  
RURAL FIRE PROTECTION DISTRICT  
DALLAS, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

INVESTMENTS

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund's compliance with all portfolio guidelines can be found in their annual report when issued. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it approximates fair value. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. The audited financial reports of the Oregon Short Term Fund can be found here:

[http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-\(OSTF\).aspx](http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-(OSTF).aspx)

If the link has expired please contact the Oregon Short Term Fund directly.

As of June 30, 2021 there were the following investments:

Investment Type	Fair Value	Investment Maturities (in months)		
		Less than 3	3-18	18-59
State Treasurer's Investment Pool	\$ 859,591	\$ 859,591	\$ -	\$ -
Total	<u>\$ 859,591</u>	<u>\$ 859,591</u>	<u>\$ -</u>	<u>\$ -</u>

Interest Rate Risk – Investments

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB.

Credit Risk - Investments

Oregon Revised Statutes do not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE.

SOUTHWESTERN POLK COUNTY  
RURAL FIRE PROTECTION DISTRICT  
DALLAS, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

At June 30, 2021, 100% of total investments were in the State Treasurer's Investment Pool. State statutes do not limit the percentage of investments in these instruments. Oregon Revised Statutes require no more than 25 percent of the moneys of local government to be invested in bankers' acceptances of any qualified financial institution. At June 30, 2021, the District appeared to be in compliance with all percentage restrictions.

3. CAPITAL ASSETS

Changes in capital assets for the year ended June 30, 2021 were as follows:

	Balance at 7/1/2020	Adjustments	Additions	(Deletions)	Balance at 6/30/2021
Non-Depreciable Assets:					
Land & Land Improvements	\$ 406,329	\$ -	\$ -	\$ -	\$ 406,329
Construction in Progress	-	1,439,848	2,843,280	-	4,283,128
	<u>406,329</u>	<u>1,439,848</u>	<u>2,843,280</u>	<u>-</u>	<u>4,689,457</u>
Depreciable Assets:					
Buildings & Improvements	81,205	-	-	-	81,205
Vehicles	1,370,457	-	1,096,482	-	2,466,939
Equipment	100,099	-	-	(100,099)	-
Total	<u>1,551,761</u>	<u>-</u>	<u>1,096,482</u>	<u>(100,099)</u>	<u>2,548,144</u>
Accumulated Depreciation					
Buildings & Improvements	73,785	-	230	-	74,015
Vehicles	1,328,290	-	75,156	-	1,403,446
Equipment	96,416	-	3,683	(100,099)	-
Total	<u>1,498,491</u>	<u>-</u>	<u>79,069</u>	<u>(100,099)</u>	<u>1,477,461</u>
Total Net Capital Assets	<u>\$ 459,599</u>				<u>\$ 5,760,140</u>

Deleted assets were transferred back to the City of Dallas after the end of their agreement with the district.

An adjustment was made to Construction in Progress for expenditures made in the prior year which were not recorded in the financial statements as capital assets at the time.

4. DEFINED BENEFIT PENSION PLAN

The District has not had any employees since December 31, 2017. Therefore, there were no contributions to PERS or any other pension plans during 2020-21, and there was no pension liability at June 30, 2021.

SOUTHWESTERN POLK COUNTY  
RURAL FIRE PROTECTION DISTRICT  
DALLAS, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. RISK MANAGEMENT

There is exposure to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. Commercial insurance is purchased to minimize exposure to these risks. Settled claims have not exceeded this commercial coverage for any of the past three fiscal years.

6. PROPERTY TAX LIMITATIONS

The voters of the State of Oregon imposed a constitutional limit on property taxes for schools and non-school government operations. School operations include community colleges, local school districts, and education service districts. The limitation provides that property taxes for non-school operations are limited to \$10.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt.

The state voters further reduced property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit in 1997. This reduction is accomplished by rolling property values back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The State Constitution sets restrictive voter approval requirements for most tax and many fee increases and new bond issues, and requires the State to minimize the impact to school districts from the impact of tax cuts.

7. INTERFUND TRANSACTIONS AND DUE TO/DUE FROM

The internal transfers are budgeted and recoded to show legal and operational commitments between funds, such as cost sharing. Due to/due from is used as a pooling of cash between funds.

Transfers In and Out and Due To / Due From were as follows:

Fund	Transfers Out	Transfers In	Due From	Due To
General Fund	\$ 22,000	\$ -	\$ 6,034	\$ -
Volunteer Spending Authority Fund	-	22,000	-	2,371
Capital Projects Fund	-	-	-	3,663
<b>Total</b>	<b>\$ 22,000</b>	<b>\$ 22,000</b>	<b>\$ 6,034</b>	<b>\$ 6,034</b>



SOUTHWESTERN POLK COUNTY  
RURAL FIRE PROTECTION DISTRICT  
DALLAS, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

**8. LONG-TERM OBLIGATIONS**

*General Obligation Bonds*

On June 6, 2018, The District issued \$5,255,000 of General Obligation Bonds Series 2018 with an interest rate of 4%, for purchases and upgrades of equipment, and for the replacement and new construction of fire stations. There are no significant default or acceleration clauses that would impact the financial statements or require disclosure under GASB 88. The last payment is due December 2032.

**Changes in Long-Term Obligations:**

The following is a summary of changes in long-term obligations events for the year ended June 30, 2021:

	Interest Rates	Balance at 7/1/2020	Additions	Reductions	Balance at 6/30/2021	Due Within One Year
Governmental Bond	4.00%	\$ 4,890,000	\$ -	\$ 220,000	\$ 4,670,000	\$ 240,000
Bond Premium		309,627	-	23,817	285,810	23,817
Total		<u>\$ 5,199,627</u>	<u>\$ -</u>	<u>\$ 243,817</u>	<u>\$ 4,955,810</u>	<u>\$ 263,817</u>

Future payments of long term obligation bonds are as follows:

Year Ended June 30,	Principal	Interest	Total
2022	\$ 240,000	\$ 182,000	\$ 422,000
2023	260,000	172,000	432,000
2024	285,000	161,100	446,100
2025	310,000	149,200	459,200
2026	335,000	136,300	471,300
2027-31	2,140,000	447,000	2,587,000
2032-33	1,100,000	44,800	1,144,800
Totals	<u>\$ 4,670,000</u>	<u>\$ 1,292,400</u>	<u>\$ 5,962,400</u>

**9. TAX ABATEMENTS**

As of June 30, 2021, Southwestern Polk County Rural Fire District potentially could have tax abatements through various state allowed programs that impacted levied taxes. Based on the information available from the county as of the date of issuance of these modified cash basis basic financial statements, there were no material abatements disclosed by the county for the year ended June 30, 2021 for any program covered under GASB 77.

**10. COMMITMENTS AND CONTINGENCIES**

The COVID-19 outbreak in the United States has caused substantial disruption to business and local governments due to mandated and voluntary suspension of operations and stay at home orders. There is considerable uncertainty around the duration of the outbreak and the long-term impact to the overall economy. However, the ultimate impact on the organization's finances is not determinable.

SOUTHWESTERN POLK COUNTY  
RURAL FIRE PROTECTION DISTRICT  
DALLAS, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

---

11. PRIOR PERIOD ADJUSTMENT

A prior period adjustment of \$242,493 was made increasing the fund balance of the Capital Projects Fund and decreasing the fund balance of the General Fund for revenues recorded in the wrong fund in the prior year. This is reflected in the Statement of Receipts, Disbursements and Changes in Fund Balances (Modified Cash Basis) and does not impact total combined Fund Balance.

A prior period adjustment of \$1,439,848 was made to increase Net Position to reflect the Construction in Process expenditures made in the prior year which were not recorded on the prior year's financial statements. This is reflected in the Statement of Activities (Modified Cash Basis) and Note 3 of the footnotes.

**This Page Intentionally Left Blank**

**SOUTHWESTERN POLK COUNTY  
RURAL FIRE PROTECTION DISTRICT  
DALLAS, OREGON**

**SUPPLEMENTARY INFORMATION**

**This Page Intentionally Left Blank**

**SOUTHWESTERN POLK COUNTY RURAL FIRE DISTRICT  
POLK COUNTY, OREGON**

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL – GENERAL FUND (CASH BASIS)  
For the Year Ended June 30, 2021**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FROM FINAL BUDGET
<b>RECEIPTS</b>				
District Taxes:				
Current Year's Levy	\$ 545,000	\$ 545,000	\$ 579,062	\$ 34,062
Prior Years' Levies	-	-	15,126	15,126
Earnings on Investments	-	-	8,814	8,814
Grants	-	-	504,040	504,040
Insurance Recoveries	8,000	8,000	-	(8,000)
Miscellaneous	410,000	796,246	61,617	(734,629)
<b>Total Receipts</b>	<b>963,000</b>	<b>1,349,246</b>	<b>1,168,659</b>	<b>(180,587)</b>
<b>DISBURSEMENTS</b>				
Personal Services	5,000	5,000 (1)	4,250	750
Materials and Services	1,085,000	1,277,246 (1)	836,607	440,639
Capital Outlay	18,000	38,000 (1)	11,661	26,339
Contingency	30,000	325,000 (1)	-	325,000
<b>Total Disbursements</b>	<b>1,138,000</b>	<b>1,645,246</b>	<b>852,518</b>	<b>792,728</b>
Excess of Receipts Over (Under) Disbursements	(175,000)	(296,000)	316,141	612,141
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(22,000)	(22,000) (1)	(22,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(22,000)</b>	<b>(22,000)</b>	<b>(22,000)</b>	<b>-</b>
Net Change In Fund Balance	(197,000)	(318,000)	294,141	612,141
Fund Balance – Beginning of Year	375,000	453,000	291,287	(161,713)
Prior Period Adjustment	-	-	(242,493)	(242,493)
<b>Fund Balance – End of Year</b>	<b>\$ 178,000</b>	<b>\$ 135,000</b>	<b>\$ 342,935</b>	<b>\$ 207,935</b>

(1) Appropriation Level

**SOUTHWESTERN POLK COUNTY RURAL FIRE DISTRICT  
POLK COUNTY, OREGON**

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL – VOLUNTEER SPENDING AUTHORITY FUND (CASH BASIS)  
For the Year Ended June 30, 2021**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FROM FINAL BUDGET
RECEIPTS				
Miscellaneous	\$ 15,000	\$ 15,000	\$ 50	\$ (14,950)
Total Receipts	<u>15,000</u>	<u>15,000</u>	<u>50</u>	<u>(14,950)</u>
DISBURSEMENTS				
Materials and Services	57,000	57,000 (1)	25,483	31,517
Total Disbursements	<u>57,000</u>	<u>57,000</u>	<u>25,483</u>	<u>31,517</u>
Excess of Receipts Over (Under) Disbursements	(42,000)	(42,000)	(25,433)	16,567
OTHER FINANCING SOURCES (USES)				
Transfers In	22,000	22,000	22,000	-
Net Change In Fund Balance	(20,000)	(20,000)	(3,433)	16,567
Fund Balance – Beginning of Year	20,000	20,000	35,945	15,945
Fund Balance – End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,512</u>	<u>\$ 32,512</u>

(1) Appropriation Level

**SOUTHWESTERN POLK COUNTY RURAL FIRE DISTRICT**  
**POLK COUNTY, OREGON**

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL – CAPITAL PROJECTS (CASH BASIS)**  
**For the Year Ended June 30, 2021**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FROM FINAL BUDGET</u>
RECEIPTS				
Interest	\$ 100,000	\$ 100,000	\$ 12,574	\$ (87,426)
Total Receipts	<u>100,000</u>	<u>100,000</u>	<u>12,574</u>	<u>(87,426)</u>
DISBURSEMENTS				
Apparatus Replacement	1,500,000	1,500,000 (1)	1,012,118	487,882
Facilities	<u>3,500,000</u>	<u>3,500,000 (1)</u>	<u>2,948,735</u>	<u>551,265</u>
Total Disbursements	<u>5,000,000</u>	<u>5,000,000</u>	<u>3,960,853</u>	<u>1,039,147</u>
Net Change In Fund Balance	(4,900,000)	(4,900,000)	(3,948,279)	951,721
Fund Balance – Beginning of Year	4,900,000	4,900,000	3,996,640	(903,360)
Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>242,493</u>	<u>242,493</u>
Fund Balance – End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 290,854</u>	<u>\$ 290,854</u>

(1) Appropriation Level



**SOUTHWESTERN POLK COUNTY RURAL FIRE DISTRICT  
POLK COUNTY, OREGON**

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL – BONDED DEBT (CASH BASIS)  
For the Year Ended June 30, 2021**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FROM FINAL BUDGET
<b>RECEIPTS</b>				
Taxes Estimated to Be Received	\$ 350,000	\$ 350,000	\$ 322,407	\$ (27,593)
Earnings on Investments	2,000	2,000	-	(2,000)
<b>Total Receipts</b>	<u>352,000</u>	<u>352,000</u>	<u>322,407</u>	<u>(29,593)</u>
<b>DISBURSEMENTS</b>				
Principal	220,000	220,000 (1)	220,000	-
Interest	192,000	192,000 (1)	191,176	824
<b>Total Disbursements</b>	<u>412,000</u>	<u>412,000</u>	<u>411,176</u>	<u>824</u>
<b>Net Change In Fund Balance</b>	(60,000)	(60,000)	(88,769)	(28,769)
<b>Fund Balance – Beginning of Year</b>	<u>455,000</u>	<u>455,000</u>	<u>382,178</u>	<u>(72,822)</u>
<b>Fund Balance – End of Year</b>	<u>\$ 395,000</u>	<u>\$ 395,000</u>	<u>\$ 293,409</u>	<u>\$ (101,591)</u>

(1) Appropriation Level

**SOUTHWESTERN POLK COUNTY RURAL FIRE DISTRICT  
POLK COUNTY, OREGON**

**SCHEDULE OF PROPERTY TAX TRANSACTIONS  
For the Year Ended June 30, 2021**

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED AT JULY 1, 2020	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT JUNE 30, 2021
Current:						
2020-21	\$ 934,509	\$ 25,283	\$ (1,208)	\$ 381	\$ 894,598	\$ 13,801
Prior Years:						
2019-20	15,067	(5)	(1,537)	572	8,240	5,867
2018-19	7,769	(3)	(876)	729	4,203	3,422
2017-18	4,917	-	(1,000)	960	3,557	1,320
2016-17	873	-	(239)	218	648	204
Prior	788	-	(125)	51	80	634
Total Prior	29,414	(8)	(3,777)	2,530	16,728	11,447
Total	<u>\$ 963,923</u>	<u>\$ 25,275</u>	<u>\$ (4,985)</u>	<u>\$ 2,911</u>	<u>\$ 911,326</u>	<u>\$ 25,248</u>

RECONCILIATION TO RECEIPTS:

Cash Collections by County Treasurers Above  
Other Taxes

Total Receipts

Total

\$ 911,326  
5,269

\$ 916,595

RECONCILIATION TO FUND BALANCES:

General Fund  
Bonded Debt Fund

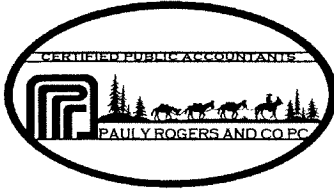
\$ 594,188  
322,407  
\$ 916,595

This Page Intentionally Left Blank

**SOUTHWESTERN POLK COUNTY  
RURAL FIRE PROTECTION DISTRICT  
DALLAS, OREGON**

**INDEPENDENT AUDITORS' REPORT  
REQUIRED BY OREGON STATE REGULATIONS**

**This Page Intentionally Left Blank**



PAULY, ROGERS AND Co., P.C.  
12700 SW 72<sup>nd</sup> Ave. ♦ Tigard, OR 97223  
(503) 620-2632 ♦ (503) 684-7523 FAX  
www.paulyrogersandcocpas.com

May 4, 2022

### Independent Auditors' Report Required by Oregon State Regulations

We have audited the modified cash basis basic financial statements of the Southwestern Polk County Rural Fire Protection District (the District), as of and for the year ended June 30, 2021, and have issued our report thereon dated May 4, 2022. 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 the modified cash basis basic financial statements are free of material misstatement, we performed tests of 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 the modified cash basis basic financial statements 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:

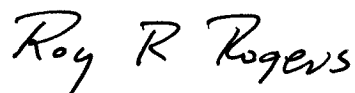
- **Deposit of public funds with financial institutions (ORS Chapter 295)**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Authorized investment of surplus funds (ORS Chapter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

In connection with our testing nothing came to our attention that caused us to believe the Southwestern Polk County Rural Fire Protection District (the District) was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

**OAR 162-10-0230 Internal Control**

In planning and performing our audit, we considered the internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the modified cash basis basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of internal control over financial reporting.

This report is intended solely for the information and use of the Board, management and the Oregon Secretary of State, and is not intended to be and should not be used by anyone other than these parties.

A handwritten signature in black ink that reads "Roy R Rogers". The signature is written in a cursive style with a large, prominent "R" in the middle.

Roy R. Rogers, CPA  
PAULY, ROGERS AND CO., P.C.