



CENTRAL CASCADES FIRE & EMS

ANNUAL FINANCIAL REPORT

For the Fiscal year ended June 30, 2022

Emerald CPA Group, LLP

*450 Country Club Road, Suite 155
Eugene OR 97401*

CENTRAL CASCADES FIRE & EMS
June 30, 2022

BOARD OF DIRECTORS

<u>NAME/ADDRESS</u>	<u>POSITION</u>	<u>TERM EXPIRES</u>
Steve Stewart 85658 Dillard Access Rd. Eugene, Oregon 97405	President	June 30, 2025
Sue Ward 1501 SW Jordan Street Grants Pass, OR 96526	Secretary	June 30, 2023
Bradley Kahler 139961 Pine Creek Loop Crescent Lake, Oregon 97733	Treasurer	June 30, 2025
Paula Elissondoberry 19123 Springfield Ct. Crescent Lake, Oregon 97733	Director	June 30, 2023
John Gartland 1810 John Day Drive Eugene, Oregon 97408	Vice President	June 30, 2025

APPOINTED OFFICIALS

HJPWG, PC
975 Oak Street
Eugene, OR 97401

Registered Agent

MAILING ADDRESS

CENTRAL CASCADE FIRE & EMS
Post Office Box 1065
Crescent Lake, Oregon 97733
541-433-2800
Facsimile 541-433-2801

**Central Cascades Fire & EMS
ANNUAL FINANCIAL REPORT
JUNE 30, 2022**

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Emerald CPA Group, LLP

450 Country Club Road, Suite 155
Eugene OR 97401

Independent Accountant's Review Report

Board of Directors
Central Cascades Fire & EMS
Crescent Lake, Oregon

We have reviewed the accompanying financial statements of the governmental activities and each major fund of the Central Cascades Fire & EMS (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the District's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, the general fund budgetary comparison information and the pension schedules be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, and historical context.

We have not audited or reviewed management's discussion and analysis or the pension schedules and we do not express an opinion, a conclusion, nor provide any assurance on them.

The General Fund budgetary comparison on page 19 is the responsibility of management. The General Fund budgetary comparison has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to that required supplementary information. We have not audited the General Fund budgetary comparison and do not express an opinion on such information.

Other Supplementary Information

The accompanying budgetary comparison schedules on pages 21-24 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information was subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Other Information

The accompanying Management Representation of Fiscal Affairs required by Oregon Regulation is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the responsibility of management. We have not audited or reviewed such information and do not express an opinion, a conclusion, nor provided any assurance on it.

Mark A. Housen

Emerald CPA Group, LLP

Mark A. Housen, Partner
Eugene, OR 97401
February 18, 2023



Central Cascades

Fire&EMS

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Central Cascades Fire & EMS Management's Discussion and Analysis

Our discussion and analysis of Central Cascades Fire & EMS' financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2022. Please read it in conjunction with the District's financial statements which begin on page five.

Financial Highlights

In the current year, the District's net position increased by \$383,192, and improvement compared to the prior year when it decreased by \$62,622. The main difference is the increase of federal and state grants of \$303,789 and the sale of equipment of \$50,000. The District does not have any business-type activities. The District had total expenditures of \$212,155 compared to \$186,314 for the prior year, an increase of \$25,841. The increase is primarily due to increase in expenditures for payroll, and materials and services. Expenditures for the District was \$596,782 due to the completion of the internet tower. Total gross revenue for the District was \$596,782 compared to the prior year total of \$248,936, an increase of \$349,846. The total net position for the district as of June 30, 2022 was \$872,617.

Using This Annual Report

This annual report consists of a series of financial statements that provide information regarding the financial position of the district and the financial results of operations. These statements include a Government-wide Balance Sheet, Statement of Net Position, a Statement of Revenues, Expenditures, Changes in Fund Balances, and a Statement of Activities. Following the basic financial statements are notes to the financial statements, which provide more detail on items found in the statements and on other important matters. Also presented is the required supplemental information, which includes a detailed schedule of expenses and a comparison of the year's actual results on a budgetary basis to the budget for the year.

District's Financial Performance

The District's net position increased as a result of this year's operations by \$384,627 compared to an increase of \$62,622 in the prior year. The total amount invested in capital assets, net of related debt, is \$728,953 and the unrestricted net position is \$526,856, for the total net position of \$1,257,244. Table 1 shows the net position for the District for the current and prior year. Table 2 summarizes the changes in net position for the two years.

Table 1- Net Position (thousands)	2021	2022
Current Assets	381,970	528,291
Capital Assets, Net of Depreciation	494,994	728,953
Total Assets	876,964	1,257,244
Accrued Current Liabilities	4,347	1,435
Net Position Invested Capital Assets	494,994	728,953
Unrestricted Net Position	377,622	526,856
Total Net Position	872,617	1,257,244

Table 2 -Statement of Revenues	2021	2022
Property Taxes	180,436	186,514
Interest	6,446	2,792
Other	6,424	30
Grants	49,240	346,392
Gain on Sales of Capital Assets	0	50,000
Donations	6,397	11,034
Total Revenues	248,935	596,782
Less Expenses	186,314	212,155
Increase in Net Position	62,622	384,627
Net Position, beginning of the year	809,995	872,617
Net Position, end of the year	872,617	1,257,244

Capital Assets

Total capital assets as of June 30, 2022 were \$728,953. The District had capital outlays of \$276,902 for the construction of tower and equipment.

Budgetary Highlights

Actual revenues were \$545,644, \$3,335 greater than the budgeted amount of \$542,309. This difference was mainly attributed to a grant, donations, and higher than expected property tax collections.

Actual total expenditures were lower than budgeted amounts. Total expenditures were \$447,629; \$242,458 less than the budgeted amount of \$690,087.

Economic Factors and Next Year's Budget

The District does not expect any significant short-term impact as a result of economic conditions. Total budget resources for the year ended June 30, 2023 are expected to be \$488,546.

Conclusion

The financial report is designed to provide citizens and customers with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about the report or need additional financial information, please contact the District at PO Box 1065, Crescent Lake, OR, 97733.

"Volunteers in Service to the Community"

CENTRAL CASCADES FIRE & EMS
STATEMENT OF NET POSITION
June 30, 2022

ASSETS AND DEFERRED OUTFLOWS

Current Assets	
Cash and Equivalents	\$ 58,262
Investments	529,625
Property Tax Receivable	12,009
Total Current Assets	599,896
Capital Assets	
Land	22,000
Capital Assets	1,753,192
Total	1,775,192
Less Accumulated Depreciation	(1,097,906)
Net Capital Assets	677,286
Deferred Outflows of Resources	
Pension related items	67,811
Total Assets	\$ 1,344,993

LIABILITIES AND DEFERRED INFLOWS

Current Liabilities	
Accrued Payroll Liabilities	\$ 1,655
Non-current Liabilities	
Net Pension Liability	38,721
Total Liabilities	40,376
Deferred Outflows of Resources	
Pension related items	30,876
NET POSITION	
Net Investment in Capital Assets	677,286
Unrestricted	596,455
Total Net Position	1,273,741
Total Liabilities and Net Position	\$ 1,344,993

The notes to the financial statements are an integral part of this financial statement.

CENTRAL CASCADES FIRE & EMS
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

<u>FUNCTION/PROGRAMS</u>	<u>EXPENSES</u>	<u>CAPITAL GRANTS & CONTRIBUTIONS</u>	<u>NET(EXPENSE) REVENUE AND CHANGES IN NET GOVERNMENTAL ACTIVITIES</u>
Primary Government			
Governmental Activities			
Public Safety	\$ 208,431	\$ -	\$ (208,431)
Total Governmental Activities	<u>\$ 208,431</u>	<u>\$ -</u>	<u>(208,431)</u>
General Revenues			
Property Taxes			199,734
Unrestricted Investment Earnings			2,888
Other			24,239
Total General Revenues			<u>226,861</u>
CHANGE IN NET POSITION			18,430
BEGINNING NET POSITION			<u>1,255,809</u>
ENDING NET POSITION			<u>\$ 1,274,239</u>

The notes to the financial statements are an integral part of this financial statement.

CENTRAL CASCADES FIRE & EMS

**BALANCE SHEET-GOVERNMENTAL FUNDS
JUNE 30, 2022**

	GENERAL FUND	APPARATUS RESERVE	COMMUNICATION RESERVE	PROPERTY, PLANT & EQUIPMENT RESERVE	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and cash equivalents	\$ 58,262	\$ -	\$ -	\$ -	\$ 58,262
Investments	276,507	166,126	27,025	59,967	529,625
Property tax receivables	12,009	-	-	-	12,009
Total Assets	<u>\$ 346,778</u>	<u>\$ 166,126</u>	<u>\$ 27,025</u>	<u>\$ 59,967</u>	<u>\$ 599,896</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Current Liabilities					
Accrued payroll costs	\$ 1,655	\$ -	\$ -	\$ -	\$ 1,655
Deferred Inflows of Resources					
Unavailable Property Tax	10,007	-	-	-	10,007
FUND BALANCES					
Assigned:					
Personnel	26,500	-	-	-	26,500
Apparatus Replacement	-	166,126	-	-	166,126
Communication Equipment	-	-	27,025	-	27,025
Property, Plant & Equipment	-	-	-	59,967	59,967
Unassigned	308,616	-	-	-	308,616
Total Fund Balances	<u>335,116</u>	<u>166,126</u>	<u>27,025</u>	<u>59,967</u>	<u>588,234</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 346,778</u>	<u>\$ 166,126</u>	<u>\$ 27,025</u>	<u>\$ 59,967</u>	<u>\$ 599,896</u>

The notes to the financial statements are an integral part of this financial statement.

CENTRAL CASCADES FIRE & EMS

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Year Ended June 30, 2022**

	GENERAL FUND	APPARATUS RESERVE	COMMUNICATION RESERVE	PROPERTY, PLANT & EQUIPMENT RESERVE	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Property Taxes	\$ 200,248	\$ -	\$ -	\$ -	\$ 200,248
Interest	1,514	884	152	338	2,888
Grants	9,700	-	-	-	9,700
Donations	14,339	-	-	-	14,339
Other	200	-	-	-	200
Total Revenues	<u>226,001</u>	<u>884</u>	<u>152</u>	<u>338</u>	<u>227,375</u>
EXPENDITURES					
Personal Services	64,671	-	-	-	64,671
Materials and Services	90,805	-	-	-	90,805
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>155,476</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>155,476</u>
EXCESS(DEFICIT) OF REVENUE OVER EXPENDITURES	70,525	884	152	338	71,899
TRANSFERS IN (OUT)	<u>(18,546)</u>	<u>18,546</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in Fund Balance	51,979	19,430	152	338	71,899
BEGINNING FUND BALANCE	<u>283,137</u>	<u>146,696</u>	<u>26,873</u>	<u>59,629</u>	<u>516,335</u>
ENDING FUND BALANCE	<u>\$ 335,116</u>	<u>\$ 166,126</u>	<u>\$ 27,025</u>	<u>\$ 59,967</u>	<u>\$ 588,234</u>

The notes to the financial statements are an integral part of this financial statement.

**CENTRAL CASCADES FIRE & EMS
RECONCILIATION OF THE GOVERNMENT FUND
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2022**

Total Fund Balance, Governmental Funds	\$ 588,234
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position	677,286
The net pension liability and deferred inflows and outflows of resources related to pensions do not provide or require current financial resources and thus are not reported in the fund financial statements, but are reported in the Statement of Net Position.	
Deferred outflows related to pensions	68,309
Deferred inflows related to pensions	(30,876)
Net pension liability	(38,721)
Because of the short-term focus of governmental funds, some assets will not be available to pay current-period expenditures. those assets are offset by unavailable property tax revenue in the governmental funds and thus are not included in the fund balance.	
Unavailable Property Tax Revenue	10,008
 Total Net Position	 \$ 1,274,239

The notes to the financial statements are an integral part of this financial statement.

**CENTRAL CASCADES FIRE & EMS
RECONCILIATION OF THE CHANGE IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

Net Change in Fund Balances \$ 71,899

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

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds. This is the decrease in Unavailable Property Tax Revenue (514)

Governmental funds report pension contributions as expenditures. However in the Statement of Activities, the cost of the pension benefits earned is reported as pension expense. (1,288)

Governmental funds report capital outlays as expenditures. However, in Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Expenditures for capital assets	-
Depreciation expense	<u>(51,667)</u>

Change in Net Position \$ 18,430

CENTRAL CASCADES FIRE & EMS
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

Note I-Summary of Significant Accounting Policies

A. REPORTING ENTITY

Central Cascades Fire & EMS is organized pursuant to Chapter 478 of the Oregon Revised Statutes. The governing body is a Board of five members, who were elected by the voters within the District and has the responsibility over all activities related to fire protection of the local independent fire district. The administration of the day-to-day affairs of the District is the responsibility of the Fire Chief.

The District is a primary government. A primary government is a financial reporting entity, which has a separately elected governing body, is legally separate and is fiscally independent of other state and local governments. The District has considered for inclusion in its financial statements all potential governmental organizations (component units) for which the District is financially accountable. Financial accountability may be evidenced by the ability to appoint the voting majority of the governing body, and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific burdens on, the primary government; or a fiscal dependency or intergovernmental relationship so close that exclusion from the primary government would render the financial statements incomplete or misleading. The District has no component units.

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

The government wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the District. For the most part, the effect of inter-fund activity has been removed from these statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both *measurable and available*. Revenues are considered to be available when they are collectible with the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

CENTRAL CASCADES FIRE & EMS
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

Note I-Summary of Significant Accounting Policies (cont'd)

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due. Property taxes and interest associated with the current fiscal period are considered to be susceptible to accrual and interest associated with the current fiscal period and are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available when cash is received by the District.

The District reports the following major governmental funds:

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

Capital Project Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. These funds are the Apparatus Reserve, Communications Reserve and Property, Plant & Equipment Reserve.

The District also reports a Personnel Reserve Fund for budgetary purposes. It does not qualify as a special revenue fund, since its only source of funds is transfers from the General Fund. Consequently, it is consolidated with the General Fund in the fund financial statements.

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

C. ASSETS, LIABILITIES AND NET POSITION

Cash and Cash Equivalents

Cash and cash equivalents reported on the balance sheet include a checking account and deposits held for the District by the State of Oregon Local Government Investment Pool. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool.

Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from" or "advances to/from other funds". All other outstanding balances between funds are reported as "due to/from other funds".

CENTRAL CASCADES FIRE & EMS
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

Note I-Summary of Significant Accounting Policies (cont'd)

Property taxes are levied and attach as an enforceable lien on property on July 1 of each fiscal year. Taxes are payable in three installments on November 15th, February 15th and May 15th. A 3% discount is allowed for payment in full on November 15th. Klamath County makes all assessments of property values, levies and collects the taxes for the District, and all other taxing districts within the county.

For the current year, the District levied at the rate of \$2.247 per \$1,000 of assessed value of all taxable property within the District for operations. Measure 50 established the permanent rate and allows for an increase of the assessed value of property of 3% per year. The District also levied at the rate of \$0.2600 per \$1,000 of assessed value of all taxable property within the District as local option.

Capital Assets

Capital assets, which include property, plant, and equipment are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the Districts as assets with an initial, individual cost of \$5,000 or more, having useful lives of at least one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at date of donation. Additions or improvements and other capital outlays that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Capitalized items of property and equipment are depreciated over their estimated useful life, 7 to 40 years, using the straight line method. Gains and losses on the disposition of capital assets are recorded at the amount of the proceeds from disposition, if any, less net book value of the assets disposed.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities.

Deferred Inflows/Outflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports pension related items in this category in the Statement of Net Position. See Note III C for more detail.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of*

CENTRAL CASCADES FIRE & EMS
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

Note I-Summary of Significant Accounting Policies (cont'd)

resources, represents an acquisition of net position that applies to future periods and so will not be recognized as inflows of resources (revenue) until that time.

The District has only one type of item, which arises under the modified accrual basis of accounting, that qualifies for reporting in this category. The item, *unavailable revenue*, is reported only in the governmental fund Balance Sheet. The governmental funds report unavailable revenues from property taxes. In the Statement of Net Position, the District reports pension related items in this category. See Note III C for more detail.

Fund Equity

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund balance reporting and Governmental Fund Type Definitions (GASB 54)*, which the District follows. This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

Nonspendable, such as fund balances associated with inventories, prepaid expenses, long-term loans and notes receivable and property held for resale (unless the proceeds are restricted, committed, or assigned),

Restricted fund balance category includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation,

Committed fund balance classification includes amounts that be used only for the specific purposes determined by a formal action of the Board of Directors (the District's highest level of decision-making authority),

Assigned fund balance classification is intended to be used for a specific purpose but does not meet the criteria to be classified as restricted or committed, and

Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications.

Use of Estimates

The preparation of financial statements in conformity with general accepted accounting principles requires management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

**CENTRAL CASCADES FIRE & EMS
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

II Stewardship, Compliance and Accountability

A. Budgetary Information

Budgets are prepared and adopted, and expenditures are appropriated, in accordance with Oregon Local Budget Law. Budgets for the District's governmental funds are adopted on the cash basis. All annual appropriations lapse at fiscal year-end. The District does not use encumbrance accounting.

On or before June 30 of each year, the District enacts a resolution approving the budget, appropriating the expenditures, and levying the property taxes. Prior to enacting this resolution, the proposed budget is presented to a budget committee consisting of members of the Board of Directors and any interested citizens. The budget committee presents the budget to the Board of Directors for budget hearings prior to enactment of the resolution.

The budget is prepared by fund, department, activity, and line-by-line. The budget includes information of the past year, current year estimates, and requested appropriations for the next fiscal year. Expenditures may not exceed legally budgeted appropriations at the level of materials and service, personal services, capital outlay, debt service, and contingency for each fund or for each department of the General Fund, or at the level of appropriation.

B. Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2022, no expenditures exceeded appropriations for all funds.

III. Detailed Notes on all Funds

A. Deposits and Investments

At June 30, 2022, the District's cash and cash equivalents are comprised of the following:

Deposit in financial institutions and cash on hand	\$ 58,262
Deposit with state local government investment pool	<u>529,625</u>
	<u>\$587,887</u>

DEPOSITS

Deposits with financial institutions are comprised of bank deposits. Total bank deposits as shown on the banks' records at year-end were \$ 58,177. Federal Deposit Insurance Corporation (FDIC) insurance covers up to \$250,000 for all demand deposits owned by a public unit. All of the District's deposits were covered by FDIC insurance throughout the fiscal year.

Effective July 1, 2008, the Oregon State Treasurer became responsible for monitoring public funds held by bank depositories in excess of FDIC insured amounts, and for assuring that public funds on deposit are collateralized to the extent required by Oregon Revised Statutes (ORS) Chapter 295. ORS Chapter 295 requires depository banks to place and maintain on deposit with a third-party custodian bank securities having a value of 10%, 25% or 110% of public funds on deposit depending primarily on the capitalization level of the depository bank. The District held its deposits in qualifying bank depositories for the year ended June 30, 2022.

**CENTRAL CASCADES FIRE & EMS
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

III. Detailed Notes on all Funds (cont'd)

INVESTMENTS

Interest rate risk: The District does not have a formal investment policy that limits investment maturities as a means of managing its exposures to fair value losses arising from increasing interest rates. The District does not have any investments that have a maturity date.

Credit risk: State law limits investments in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements and State Treasurer's Investment Pool, along with certain commercial paper and the corporate bonds, which have top two ratings issued by nationally recognized statistical rating organizations. The District has no investments with credit ratings.

The District's investments consist of investment in the Local Government Investment Pool (LGIP), which managed by the State Treasurer in accordance with the "prudent person rule" and administrative rules that, may be subject to change. ORS and the Oregon Investment Council establish investment policies for the State Treasurer and the Oregon Short Term Fund (OSTF). In addition, the Oregon Short Fund Board establishes OSTF portfolio guidelines. Members of the Investment council and the Oregon Short Fund Board are appointed by the governor. The investments that make up the LGIP are those allowed by ORS and the reported fair value of the investment is the same as the value of the pool shares. The LGIP was created to offer a short-term investment alternative to Oregon local governments and it is not registered with the U.S. Securities and Exchange Commission and is not rated. The investments are regulated by the OSTF and approved by the Oregon Investment Council (ORS 294.805 to 294.895). At June 30, 2022, the fair value of the district's deposits with the LGIP approximates cost. The OSTF financial statements are available at <http://www.ost.state.or.us/>.

B. INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2022 consisted of the following:

	<u>Transfers to</u>	<u>Transfers from</u>
Apparatus Reserve Fund	\$ 18,546	\$ -
General Fund	-	<u>18,546</u>
Total	<u>\$18,546</u>	<u>\$18,546</u>

C. PENSION PLAN

PLAN DESCRIPTION

The District contributes to the Oregon Public Employees Retirement System (OPERS) and to the Oregon Public Service Retirement Plan (OPSRP). Contributions are made for employees after six months of employment unless they are members of OPERS, and eligible for contributions when they begin employment. OPERS is a cost sharing multiple-employer defined benefit pension plan that acts as a common investment and administrative agent for government units in the State of Oregon. Benefits generally vest after five years of continuous service in OPERS covered position(s).

CENTRAL CASCADES FIRE & EMS
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

C. PENSION PLAN (CONT'D)

Retirement is allowed at age 58 with unreduced benefits, but retirement is generally available after age 55 with reduced benefits. Compulsory retirement age is 70.

Contributions made by, or on the behalf of, the employee are payable in a lump sum or monthly amounts using several payment options. Contributions made on behalf of the employee to the employer account can only be taken in monthly payments. OPERS also provides death and disability benefits. These benefit provisions and other requirements are established by state statutes, Chapter 238, Oregon Revised Statutes.

In the 2003 legislative session, the Oregon Legislative Assembly created a successor plan for PERS. The Oregon Public Service Retirement Plan (OPSRP) is effective for all new employees hired on or after August 29, 2003, and applies to any inactive PERS members who return to employment following a six month or greater break in service. The new plan consists of a defined benefit program (the Pension Program) and a defined contribution portion (the Individual Account Program or IAP). The Pension Program portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service and a factor that varies based on type of service (general vs. police or fire).

Beginning January 1, 2004, all PERS member contributions go into the IAP portion of OPSRP. PERS members retain their existing PERS accounts, but any future member contributions are deposited into the member's IAP, not the member's PERS account. Those employees who had established a PERS membership prior to the creation of OPSRP will be members of both the PERS and OPSRP system as long as they remain in covered employment.

Both PERS and OPSRP are administrated by the Oregon Public Employees Retirement Board (OPERB). The comprehensive annual financial report of the funds administrated by the OPERB may be obtained by writing to the Oregon Public Employees Retirement System, PO Box 23700, Tigard, Oregon 97281-3700, by calling (503) 598-7377, or by accessing the PERS website at www.pers.state.or.us.

Funding Policy - The District's contribution rates for the fiscal year ended June 30, 2022 was 16.25% for OPERS, 9.77% for OPSRP general services and 14.13% for OPSRP police and fire. The mandatory employee contribution rate is 6.00%. The contribution requirements of the District are established or may be amended by the OPERS Retirement Board while the employees' rate is set by the state statutes, ORS 238.200. The District's payroll for employees covered by OPERS for the year ended June 30, 2022 was \$41,400; the District's total payroll was \$41,400.

Annual Pension Cost - For Fiscal 2021-22 the District's annual pension cost of \$5,150 was equal to the District's required and actual contributions. The amount of \$5,150 was funded by the District. The required contributions and liabilities were determined as part of the December 31, 2019 actuarial valuation, using the entry age normal actuarial cost method. Because all OPERS employers are required by law to, submit the contributions adopted by the Retirement Board, and the employer contributions are calculated in conformance with the standards of Statement No. 27, there is no net pension obligation.

**CENTRAL CASCADES FIRE & EMS
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

C. PENSION PLAN (CONT'D)

The contributions actually made are the equivalent to the annual pension cost. Significant actuarial assumptions used in the valuation include (a) a rate of return on the investment of present and future assets of 6.9% per year; (b) projected annual salary increases for inflation of 3.5% per year; (c) projected automatic postretirement benefit increases of 5.8% to 4.1% per year; and (d) demographic assumptions that have been chosen to reflect the best estimate of emerging experience of the member of OPERS. The unfunded actuarial liability is amortized as a level percentage of covered payrolls over a 16-year period on an open basis.

The actuarial value of OPERS assets is reported at fair market value. The most recent actuarial valuation was effective, December 21, 2019.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, the District reported a liability of \$38,721 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021 (MD), and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined. At June 30, 2021, the District's proportion was 0.00032356 percent, which was an increase of 0.00032356 percent from its proportion measured as of June 30, 2020, which was zero.

For the year ended June 30, 2022, the District recognized pension expense of \$7,070, not including the retiree healthcare (RHIA) contribution. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources to pensions from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 3,625	\$ -
Changes of assumptions	9,693	102
Net differences between projected and actual earnings on investments	-	28,665
Changes in proportionate share	45,261	-
Differences between employer contributions proportionate share of system contributions	4,580	2,109
Total (prior to post-MD contributions)	<u>63,159</u>	<u>30,876</u>
Contributions subsequent to MD	5,150	-
Total	<u>\$ 68,309</u>	<u>\$ 30,876</u>

**CENTRAL CASCADES FIRE & EMS
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

C. PENSION PLAN (CONT'D)

\$5,150 reported as deferred outflows (inflows) of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction (increase) of the net pension liability in the year ended June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Employer subsequent <u>fiscal years</u>	Deferred Outflow(inflow) of Resources (prior <u>to post-measurement date contributions)</u>
2023	\$ 8,844
2024	8,528
2025	6,917
2026	3,201
2027	4,793
Thereafter	-
Total	<u>\$ 32,283</u>

Actuarial assumptions. The total pension liability/asset in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary Increases	3.50 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following tables:

CENTRAL CASCADES FIRE & EMS
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

C. PENSION PLAN (CONT'D)

Assumed asset allocation:

Asset Class	Target Allocation
Cash	0.00%
Debt securities	20.00%
Public equity	32.50%
Private equity	17.50%
Real estate	12.50%
Alternative equity	15.00%
Opportunity portfolio	0.00%
Risk parity	2.50%
Total	100.00%

Source: June 30, 2021 PERS ACFR p. 104

Long-term expected rate of return:

Asset Class	Target Allocation	20-Year Annualized Geometric Mean
Global Equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core Fixed Income	23.75%	2.73%
Real Estate	12.25%	5.66%
Master Limited Partnerships	75.00%	5.71%
Infrastructure	1.50%	6.26%
Commodities	63.00%	3.10%
Hedge Fund of Funds - Multistrat	12.50%	5.11%
Hedge Fund - Hedge	63.00%	5.31%
Hedge Fund - Macro	5.62%	5.06%
US Cash	-2.50%	1.76%
Assumed Inflation - Mean		2.40%

Source: June 30, 2021 PERS ACFR p.74

Discount rate. The discount rate used to measure the total pension liability was 6.90 percent. Prior year was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions from plan members and contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net

**CENTRAL CASCADES FIRE & EMS
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

C. PENSION PLAN (CONT'D)

position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for Defined Benefit Position Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the district's proportionate share of the net pension liability to changes in the discount rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	1% Decrease 5.90%	Current discount rate 6.90%	1% Increase 7.90%
District's proportionate share of the net pension liability	<u>\$76,039</u>	<u>\$38,721</u>	<u>\$7,500</u>

D. CAPITAL ASSETS

The District's capital assets as of June 30, 2022 as follows:

	6/30/2021	Increase	Decrease	6/30/2022
Governmental activities	<u>6/30/2021</u>	<u>Increase</u>	<u>Decrease</u>	<u>6/30/2022</u>
Capital asset, not being depreciated:				
Land	\$ 22,000	\$ -	\$ -	\$ 22,000
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>22,000</u>	<u>-</u>	<u>-</u>	<u>22,000</u>
Capital assets, being depreciated:				
Buildings	633,996	-	-	633,996
Equipment	1,119,196	-	-	1,119,196
Total capital assets being depreciated	<u>1,753,192</u>	<u>-</u>	<u>-</u>	<u>1,753,192</u>
Less accumulated depreciation:				
Buildings	225,908	15,850	-	241,758
Equipment	820,331	35,817	-	856,148
Total accumulated depreciation	<u>1,046,239</u>	<u>51,667</u>	<u>-</u>	<u>1,097,906</u>
Total capital assets being depreciated, net	<u>706,953</u>	<u>(51,667)</u>	<u>-</u>	<u>655,286</u>
Governmental activities, capital assets, net	<u>\$ 728,953</u>	<u>\$ (51,667)</u>	<u>\$ -</u>	<u>\$ 677,286</u>

CENTRAL CASCADES FIRE & EMS
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE IV. OTHER INFORMATION

A. CONTINGENT LIABILITIES

Amounts received or receivable from a grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

B. Tax Returns

The District is exempt from federal and state income taxes as organizations described under Section 501©(3) of the Internal Revenue Code. The District must be organized and operated exclusively for exempt purposed and none of its earnings may inure to any private shareholder or individual to maintain its tax exempt status.

C. 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 participates in the Special District Insurance Services (SDIS) formed in 1985 by the Special Districts Association of Oregon (SDAO). SDIS is a public entity risk pool currently operating as a common risk management and insurance program for approximately 900 special districts in the State of Oregon. SDIS is self-sustaining through member contributions and reinsures through commercial companies for excess of certain claims amounts. The District has a claim upon cash balances held on its behalf by SDIS but the amount cannot be determined. Liabilities of the District within SDIS also cannot be determined. The District has not significantly reduced insurance coverage or had any losses in excess of coverage in the past three years.

CENTRAL CASCADES FIRE & EMS

STATEMENT OF REVENUES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2022

REVENUES	BUDGET ORIGINAL	FINAL	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Property Taxes	\$ 188,323	\$ 188,323	\$ 200,350	\$ 12,027
Interest	46	46	1,514	1,468
Donations	2,000	2,000	14,339	12,339
SDAO & VFA/RFA Grants	-	-	9,700	9,700
Other	200	200	200	-
Total Revenue	<u>190,569</u>	<u>190,569</u>	<u>226,103</u>	<u>35,534</u>
 EXPENDITURES				
Personal Services	125,000	125,000	64,891	60,109
Materials and Services	125,600	125,600	90,170	35,430
Capital Outlay	153,400	153,400	635	152,765
Grants Match	16,000	16,000	-	16,000
	<u>420,000</u>	<u>420,000</u>	<u>155,696</u>	<u>264,304</u>
Excess(Deficiency)f Revenues over Expenditures	(229,431)	(229,431)	70,407	299,838
 OTHER FINANCING SOURCES(USES)				
Transfers	(68,546)	(68,546)	(18,546)	50,000
FUND BALANCE, BEGINNING	<u>297,977</u>	<u>297,977</u>	<u>256,408</u>	<u>(41,569)</u>
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ -</u>	308,269	<u>\$ 308,269</u>
 RECONCILIATION TO FUND BASIS				
Personnel Servies Fund			26,500	
Property tax receivable			12,009	
Unavailable property taxes			(10,007)	
Accrued expenses			<u>(1,655)</u>	
 ENDING FUND BASIS			 <u>\$ 335,116</u>	

CENTRAL CASCADES FIRE & EMS
June 30, 2022

**Schedule of Proportionate Share of Net Pension Liability (Asset)
For the Last Ten Years***

Year Ended June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
2020	0.00000000%	\$0	\$3,250	0.00%	80.20%
2021	0.00000000%	\$0	\$44,000	0.00%	68.80%
2022	0.03235800%	\$38,721	\$26,000	148.93%	87.60%

Schedule of Contributions of Net Pension Liability*

Year Ended June 30,	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2020	\$5,799	\$5,799	\$ -	\$44,000	13.18%
2021	\$3,427	\$3,427	\$ -	\$26,000	13.18%
2022	\$5,150	\$5,150	\$ -	\$41,400	12.44%

*This schedule is presented to provide the information for the most recent three years. Until information for a full ten years is available, information is only presented for the years for which the required information is available.

CENTRAL CASCADES FIRE & EMS

STATEMENT OF REVENUES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL APPARATUS RESERVE FUND FOR THE YEAR ENDED JUNE 30, 2022

<u>REVENUES</u>	<u>BUDGET ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
Interest Income	\$ -	\$ -	\$ 884	\$ 884
Total Revenue	<u>-</u>	<u>-</u>	<u>884</u>	<u>884</u>
 EXPENDITURES	 -	 -	 -	 -
Excess(Deficiency)f Revenues over Expenditures	-	-	884	884
 OTHER FINANCING SOURCES				
Transfer from General Fund	68,546	68,546	18,546	(50,000)
 FUND BALANCE, BEGINNING	<u>96,119</u>	<u>96,119</u>	<u>146,696</u>	<u>50,577</u>
 FUND BALANCE, ENDING	<u>\$ 164,665</u>	<u>\$ 164,665</u>	<u>\$ 166,126</u>	<u>\$ 1,461</u>

CENTRAL CASCADES FIRE & EMS

STATEMENT OF REVENUES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL COMMUNICATIONS RESERVE FUND FOR THE YEAR ENDED JUNE 30, 2022

	BUDGET ORIGINAL	FINAL	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Interest Income	\$ -	\$ -	\$ 152	\$ 152
Total Revenue	-	-	152	152
EXPENDITURES	-	-	-	-
Excess(Deficiency)f Revenues over Expenditures	-	-	152	152
FUND BALANCE, BEGINNING	28,557	28,557	26,873	(1,684)
FUND BALANCE, ENDING	\$ 28,557	\$ 28,557	\$ 27,025	\$ (1,532)

CENTRAL CASCADES FIRE & EMS

STATEMENT OF REVENUES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL PPE RESERVE FUND FOR THE YEAR ENDED JUNE 30, 2022

REVENUES	BUDGET ORIGINAL	FINAL	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Interest Income	\$ -	\$ -	\$ 338	\$ 338
Total Revenue	<u>-</u>	<u>-</u>	<u>338</u>	<u>338</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess(Deficiency)f Revenues over Expenditures	-	-	338	338
FUND BALANCE, BEGINNING	<u>59,243</u>	<u>59,243</u>	<u>59,629</u>	<u>386</u>
FUND BALANCE, ENDING	<u>\$ 59,243</u>	<u>\$ 59,243</u>	<u>\$ 59,967</u>	<u>\$ 724</u>

CENTRAL CASCADES FIRE & EMS

STATEMENT OF REVENUES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL PERSONNEL SERVICES FUND FOR THE YEAR ENDED JUNE 30, 2022

<u>REVENUES</u>	<u>BUDGET ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
Total Revenue	\$ -	\$ -	\$ -	\$ -
EXPENDITURES	-	-	-	-
Excess(Deficiency)f Revenues over Expenditures	-	-	-	-
FUND BALANCE, BEGINNING	<u>26,500</u>	<u>26,500</u>	<u>26,500</u>	-
FUND BALANCE, ENDING	<u>\$ 26,500</u>	<u>\$ 26,500</u>	<u>\$ 26,500</u>	<u>\$ -</u>



Central Cascades

Fire & EMS

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CRESCENT LAKE, OREGON 97733

MANAGEMENT REPRESENTATION OF FISCAL AFFAIRS REQUIRED BY OREGON REGULATION

Central Cascades Fire & EMS is subject to, and responsible for, compliance with various laws, rules and regulations relating to its operation 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 (ORA 162, division 40) including but not limited to:

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

The management of Central Cascades Fire & EMS 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 of laws, rules or regulations, whose effects should be considered for disclosure in financial statements or as a basis for recording a loss.

Signature

Bradley Kahler

Printed Name

Treasurer

Title

01/26/2023

Date