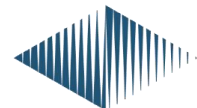


# Canby Fire District

Financial Statements, Supplementary Information, and  
Independent Auditor's Report

June 30, 2023

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GROVE, MUELLER & SWANK  
**redw**  
Advisors & CPAs

**CANBY FIRE DISTRICT**  
**DISTRICT OFFICIALS**  
*JUNE 30, 2023*

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**BOARD OF DIRECTORS**

**TERM EXPIRES**

Shawn Carroll, President	June 30, 2023
Buner (Boe) Ellis, Vice President	June 30, 2023
Ron Swor, Secretary-Treasurer	June 30, 2023
Steve Thoroughman, Director	June 30, 2025
Connie Austen, Director	June 30, 2025

All correspondence for persons listed above may be sent to:

**FIRE CHIEF AND REGISTERED AGENT**

Jim Davis  
Lori Fawcett, Administrative Manager  
221 S. Pine Street  
Canby, Oregon 97013

**CANBY FIRE DISTRICT**  
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# GROVE, MUELLER & SWANK

**redw**  
Advisors & CPAs

## ***INDEPENDENT AUDITOR'S REPORT***

Board of Directors  
Canby Fire District  
Canby, Oregon

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the modified cash basis financial statements of the governmental activities and each major fund and the aggregate remaining fund information of Canby Fire District (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Canby Fire District as of June 30, 2023, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting described in the summary of significant accounting policies in the notes to the financial statements.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Emphasis of Matter - Basis of Accounting***

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

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in the notes to the financial statements. This includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. Management's discussion and analysis and the supplemental information, which are the responsibility of management, are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The supplemental information as listed in the table of contents is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole on the basis of accounting described in notes to the financial statements.

Management's discussion and analysis has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

## **Report on Other Legal and Regulatory Requirements**

### ***Reporting Required by Oregon Minimum Standards***

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated May 30, 2024, on our consideration of the District's 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.



Devan W. Esch, Principal  
For REDW LLC  
Salem, Oregon  
May 30, 2024

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## Fiscal Year Ended June 30, 2023

As management of Canby Fire District, we offer readers this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2023. It should be read in conjunction with the District's financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

	<i>June 30,</i>		<i>change</i>
	<i>2023</i>	<i>2022</i>	
Net position	\$ 8,578,096	\$ 7,990,509	\$ 587,587
Change in net position	587,587	1,081,284	(493,697)
Fund balances	4,235,222	4,158,729	76,493
Change in fund balance	76,493	(1,305,307)	1,381,800

### OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business.

The statement of net position/balance sheet presents information on all of the District's assets and liabilities with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements can be found on pages 8 through 9 of this report.

#### Fund Financial Statements

The fund financial statements are designed to demonstrate compliance with finance-related legal requirements overseeing the use of fund accounting. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives. The District maintains six budgetary funds, all of which are governmental funds.

## Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the financial data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 13 through 23 of this report.

### Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *supplemental information*, which includes budgetary comparison information for each of the budgetary funds.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. The District's assets exceeded liabilities by \$8,578,096 at June 30, 2023.

Net position – unrestricted represents resources available for the general operations of the District.

Net position – restricted represents resources that are subject to external restrictions on their use, such as debt service or capital projects.

Net investment in capital assets represents the net book value of the District's capital assets, less related debt, and unspent debt proceeds.

### Statement of Net Position (modified cash basis)

Condensed comparative statements of net position are presented below.

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
Current assets	\$ 4,235,222	\$ 4,158,729
Noncurrent assets	7,679,827	7,617,220
<i>Total Assets</i>	<u>11,915,049</u>	<u>11,775,949</u>
<b>Liabilities</b>		
Current liabilities	-	-
Long-term liabilities	3,336,953	3,785,440
<i>Total Liabilities</i>	<u>3,336,953</u>	<u>3,785,440</u>
<b>Net Position</b>		
Net investment in capital assets	4,342,874	4,132,124
Restricted	273,632	166,404
Unrestricted	3,961,590	3,691,981
<i>Total Net Position</i>	<u>\$ 8,578,096</u>	<u>\$ 7,990,509</u>



## District's Changes in Net Position

The condensed statements of activities information explain changes in net position.

	<i>Governmental Activities</i>	
	<u>2023</u>	<u>2022</u>
<b><i>Program Revenues</i></b>		
Charges for service	\$ 1,709,738	\$ 2,057,597
Operating grants and contributions	70,000	-
<i>Total Program Revenues</i>	<u>1,779,738</u>	<u>2,057,597</u>
<b><i>General Revenues</i></b>		
Property taxes	6,027,065	5,450,391
Miscellaneous	187,431	164,124
<i>Total Revenues</i>	<u>7,994,234</u>	<u>7,672,112</u>
<b><i>Program Expenses</i></b>		
Fire suppression	7,304,819	6,477,816
Interest on long-term debt	101,828	113,012
<i>Total Program Expenses</i>	<u>7,406,647</u>	<u>6,590,828</u>
<b><i>Change in Net Position</i></b>	587,587	1,081,284
<b><i>Net Position, beginning of year</i></b>	<u>7,990,509</u>	<u>6,909,225</u>
<b><i>Net Position, end of year</i></b>	<u><u>\$ 8,578,096</u></u>	<u><u>\$ 7,990,509</u></u>

## FINANCIAL ANALYSIS OF THE DISTRICT FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

**Governmental funds.** The focus of the District's governmental funds is to provide information on short-term cash flow and funding for future basic services. Such information is useful in assessing the District's financing requirements. In particular, *fund balance* may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

At June 30, 2023, the District's governmental funds reported combined ending fund balances of \$4,235,222, an increase of \$76,493 from the prior year.

*General Fund.* The General Fund is the primary operating fund of the District. Fund balance was \$3,192,211 as of June 30, 2023. The fund balance increased by \$21,609 during the current fiscal year due to an increase in revenue received.

*Bond Capital Construction Fund.* This fund was established in prior years to account for the proceeds from the issuance of general obligation bonds. The proceeds are to be spent for equipment, apparatus, and capital improvements. Fund balance was \$0 as of June 30, 2023. Fund balance decreased \$300,344 during the year due to increased expenditures relating to station improvements.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The governing body made one change to the budget for the fiscal year ended June 30, 2023. One supplemental budget was passed due to unanticipated revenues and expenditures.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets.** The District’s investment in capital assets includes land, construction in progress, buildings and improvements, apparatus and equipment, net of depreciation. As of June 30, 2023, the District had invested approximately \$7.68 million, net of depreciation, in capital assets, as shown in the following table:

*Capital Assets*

	<b>June 30,</b>	
	<u>2023</u>	<u>2022</u>
Land	\$ 291,575	\$ 291,575
Construction in progress	-	1,780,215
Buildings and improvements	6,268,335	4,494,097
Apparatus	3,244,940	2,822,317
Equipment	1,560,906	1,531,392
	<u>11,365,756</u>	<u>10,919,596</u>
Accumulated depreciation	(3,685,929)	(3,302,376)
	<u>\$ 7,679,827</u>	<u>\$ 7,617,220</u>

The District’s investment in capital assets increased by \$62,607 during the fiscal year 2022-2023. The increase is due primarily to the fire station improvements and other new capital asset additions exceeding the depreciation expense.

**Long-term debt.** The District has general obligation bonds outstanding of \$3,336,953 at the end of the current fiscal year. Principal payments of \$448,487 were made during the current fiscal year. See page 20 in the notes to the financial statements for additional information.

	<u>2023</u>	<u>2022</u>
2019 G. O. Bonds	\$ 3,336,953	\$ 3,785,440
	<u>\$ 3,336,953</u>	<u>\$ 3,785,440</u>

State statutes limit the amount of general obligation debt that the District may issue to 1.25% of the assessed valuation. The District was in compliance with this requirement.

**KEY ECONOMIC FACTORS AND BUDGET INFORMATION FOR THE FUTURE**

The District’s Budget Committee considered all the following factors while preparing the District’s budget for the 2023-24 fiscal year:

- Property tax revenues are expected to remain stable.
- Additions in capital assets due to bond issuance.
- Personnel costs and benefits are expected to increase.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be directed to the following address: Canby Fire District, 221 S. Pine Street, Canby, Oregon 97013.

***BASIC FINANCIAL STATEMENTS***

**CANBY FIRE DISTRICT**  
**STATEMENT OF NET POSITION (MODIFIED CASH BASIS)**  
**JUNE 30, 2023**

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**ASSETS**

Cash and investments	\$ 4,235,222
Nondepreciable capital assets	291,575
Other capital assets, net of depreciation	7,388,252
<i>Total Assets</i>	<u>11,915,049</u>

**LIABILITIES**

Long-term liabilities	
Portion due within one year	477,060
Portion due in more than one year	2,859,893
<i>Total Liabilities</i>	<u>3,336,953</u>

**NET POSITION**

Net investment in capital assets	4,342,874
Restricted for:	
Debt service	203,632
Fire protection	70,000
Unrestricted	3,961,590
<i>Total Net Position</i>	<u>\$ 8,578,096</u>

*The accompanying notes are an integral part of the financial statements.*

**CANBY FIRE DISTRICT**  
**STATEMENT OF ACTIVITIES (MODIFIED CASH BASIS)**  
**YEAR ENDED JUNE 30, 2023**

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	<i>Expenses</i>	<i>Program Revenues</i>		<i>Net (Expense)</i>
		<i>Fees, Fines and Charges for Services</i>	<i>Capital Grants and Contributions</i>	<i>Revenue and Changes in Net Position</i>
<b><i>FUNCTIONS/PROGRAMS</i></b>				
<b><i>Governmental Activities:</i></b>				
Fire suppression	\$ 7,304,819	\$ 1,709,738	\$ 70,000	\$ (5,525,081)
Interest on long-term debt	101,828	-	-	(101,828)
<i>Total Activities</i>	\$ 7,406,647	\$ 1,709,738	\$ 70,000	(5,626,909)
 <b><i>General Revenues:</i></b>				
Property taxes				6,027,065
Miscellaneous				187,431
<i>Total General Revenues</i>				6,214,496
<b><i>Change in Net Position</i></b>				587,587
<b><i>Net Position - Beginning of Year</i></b>				7,990,509
<b><i>Net Position - End of Year</i></b>				\$ 8,578,096

*The accompanying notes are an integral part of the financial statements.*

**CANBY FIRE DISTRICT**

**BALANCE SHEET (MODIFIED CASH BASIS) - GOVERNMENTAL FUNDS**

**JUNE 30, 2023**

	<u>General Fund</u>	<u>Bond Capital Construction Fund</u>	<u>Apparatus Reserve Fund</u>	<u>(Non-Major) Bond Debt Service Fund</u>	<u>Total</u>
<b>ASSETS</b>					
Cash and investments	\$ 3,192,211	\$ -	\$ 839,379	\$ 203,632	\$ 4,235,222
<b>LIABILITIES AND FUND BALANCE</b>					
<b>Liabilities</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Fund Balance</b>					
Restricted for:					
Debt service	-	-	-	203,632	203,632
Fire protection	70,000	-	-	-	70,000
Committed to:					
Personnel	45,000	-	-	-	45,000
Capital outlay	-	-	839,379	-	839,379
Unassigned	3,077,211	-	-	-	3,077,211
<b>Total Fund Balance</b>	<u>3,192,211</u>	<u>-</u>	<u>839,379</u>	<u>203,632</u>	<u>4,235,222</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 3,192,211</u>	<u>\$ -</u>	<u>\$ 839,379</u>	<u>\$ 203,632</u>	<u>\$ 4,235,222</u>

**RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION**

<b>Fund Balances</b>	\$ 4,235,222
The cost of capital assets (land, buildings and improvements, apparatus and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the District as a whole.	
Cost	11,365,756
Accumulated depreciation	(3,685,929)
Long-term liabilities are reported in the Statement of Net Position. However, since they are not due and payable in the current period, they are not reported on the Balance Sheet	(3,336,953)
<b>Net Position of Governmental Activities</b>	<u>\$ 8,578,096</u>

*The accompanying notes are an integral part of the financial statements.*

**CANBY FIRE DISTRICT****STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES****(MODIFIED CASH BASIS) - GOVERNMENTAL FUNDS****YEAR ENDED JUNE 30, 2023**

	<b>General Fund</b>	<b>Bond Capital Construction Fund</b>	<b>Apparatus Reserve Fund</b>	<b>(Non-Major) Bond Debt Service Fund</b>	<b>Total</b>
<b>REVENUES</b>					
Taxes and assessments	\$ 5,439,522	\$ -	\$ -	\$ 587,543	\$ 6,027,065
Grant income	70,000	-	-	-	70,000
Charges for services	1,596,583	-	-	-	1,596,583
Intergovernmental	61,118	-	-	-	61,118
Miscellaneous	236,265	3,203	-	-	239,468
<b>Total Revenues</b>	<b>7,403,488</b>	<b>3,203</b>	<b>-</b>	<b>587,543</b>	<b>7,994,234</b>
<b>EXPENDITURES</b>					
Current					
Personal services	5,451,624	-	-	-	5,451,624
Materials and services	1,469,142	-	-	-	1,469,142
Debt payments					
Principal	-	-	-	448,487	448,487
Interest	-	-	-	101,828	101,828
Capital outlay	143,113	303,547	-	-	446,660
<b>Total Expenditures</b>	<b>7,063,879</b>	<b>303,547</b>	<b>-</b>	<b>550,315</b>	<b>7,917,741</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>339,609</b>	<b>(300,344)</b>	<b>-</b>	<b>37,228</b>	<b>76,493</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	318,000	-	318,000
Transfers out	(318,000)	-	-	-	(318,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(318,000)</b>	<b>-</b>	<b>318,000</b>	<b>-</b>	<b>-</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>21,609</b>	<b>(300,344)</b>	<b>318,000</b>	<b>37,228</b>	<b>76,493</b>
<b>FUND BALANCE, beginning of year</b>	<b>3,170,602</b>	<b>300,344</b>	<b>521,379</b>	<b>166,404</b>	<b>4,158,729</b>
<b>FUND BALANCE, end of year</b>	<b>\$ 3,192,211</b>	<b>\$ -</b>	<b>\$ 839,379</b>	<b>\$ 203,632</b>	<b>\$ 4,235,222</b>

The accompanying notes are an integral part of the financial statements.



**CANBY FIRE DISTRICT**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2023**

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<i>Net Change in Fund Balances - Total Governmental Funds</i>	\$ 76,493
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and are reported as depreciation expense.	
Purchase of capital assets	446,161
Depreciation expense	(383,553)
Proceeds from issuance of long-term debt provide current financial resources to government funds and are reported as revenues. In the same way, repayments of long-term debt use current financial resources and are reported as expenditures in governmental funds. However, neither the receipt of debt proceeds nor the payment of debt principal affect the Statement of Activities, but are reported as increases and decreases in noncurrent liabilities in the Statement of Net Position.	
Long-term debt principal paid	448,487
<i>Change in Net Position of Governmental Activities</i>	<u>\$ 587,588</u>

*The accompanying notes are an integral part of the financial statements.*

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The District was organized under provisions of Oregon Statutes Chapter 478 for the purpose of providing fire protection and other emergency services. It is a municipal corporation governed by an elected five-member board. As required by accounting principles generally accepted in the United States of America, these financial statements present the 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.

There are certain governmental agencies and various service districts which provide services within the District. These agencies have independently elected governing boards and the District is not financially accountable for these organizations. Therefore, financial information for these agencies is not included in the accompanying financial statements.

As discussed further under *Measurement Focus and Basis of Accounting*, these financial statements are presented on a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) established by the Governmental Accounting Standards Board (GASB). These modified cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the modified cash basis of accounting.

*Basic Financial Statements*

Basic financial statements are presented at both the government-wide and fund financial level.

*Government-wide financial statements* display information about the reporting government as a whole. These statements focus on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the Statement of Net Position (modified cash basis) and the Statement of Activities (modified cash basis).

The Statement of Net Position (modified cash basis) presents information on the assets and liabilities of the District as of the date on the statement. Net position is what remains after the liabilities have been paid off or otherwise satisfied. Net position is shown subject to restriction and net position - unrestricted.

The Statement of Activities (modified cash basis) demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

*Fund financial statements* display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental, proprietary, or fiduciary. Currently, the District only has governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**CANBY FIRE DISTRICT**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2023

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Basis of Presentation*

The financial transactions of the District are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

Accounting principles generally accepted in the United States of America set forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the government and enterprise combined) for the determination of major funds.

The District reports the following major governmental funds:

*General Fund* – This is the District’s primary operating fund. It accounts for all financial resources of the general government, except for those requiring separate accounting in another fund. Principal sources of revenues are property taxes and charges for services. Primary expenditures are for general administration. As described later, for reporting purposes the General Fund also includes the activities of the PERS Fund, which is a separate budgetary fund.

*Bond Capital Construction Fund* – Primary sources of revenues are interest. Primary expenditures are for capital acquisitions.

*Apparatus Reserve Fund* – This fund sets aside resources for the acquisition of apparatus. Transfers from the General Fund are the primary source of revenue. The fund had no expenditures in the current year.

The District reports the following nonmajor governmental fund:

*Bond Debt Service Fund* – This fund accumulates resources for repayment of the District’s general obligation bonds. Property taxes are the primary source of revenue. Expenditures are for debt service payments.

*Fund Balance*

Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact.

Fund balance is reported as restricted when the constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Fund balance is reported as committed when the Board takes formal action that places specific constraints on how the resources may be used. The Board can modify or rescind the commitment at any time through taking a similar formal action.

## **CANBY FIRE DISTRICT**

### **NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2023**

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#### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### *Fund Balance (Continued)*

Resources that are constrained by the District's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent is expressed when the Board approves which resources should be "reserved" during the adoption of the annual budget. The District's Finance Director uses that information to determine whether those resources should be classified as assigned or unassigned for presentation in the District's Annual Financial Report.

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

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.

##### *Definitions of Governmental Fund Types*

The General Fund is used to account for all financial resources not accounted for in another fund.

Special Revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term "proceeds of specific revenues sources" means that the revenue sources for the fund must be from restricted or committed sources, specifically that a substantial portion of the revenue must be from these sources and be expended in accordance with those requirements. Budgetary Special Revenue Funds whose primary source of funding is transfers from the General Fund must be reported as part of the General Fund in accordance with GASBS No. 54. Therefore, in the Governmental Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance, the PERS Fund has been combined with the General Fund.

Capital Projects funds are utilized to account for financial resources to be used for the acquisition or construction of capital equipment and facilities.

Debt Service funds are used to account for financial resources to be used for debt service payments.

##### *Measurement Focus and Basis of Accounting*

The financial statements are presented on a modified cash basis of accounting, which is a basis of accounting other than GAAP as established by the GASB. This basis of accounting involves modifications to the cash basis of accounting to report in the statement of net position or balance sheet cash transactions or events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. Such reported balances include:

1. Assets that normally convert to cash or cash equivalents (e.g., certificates of deposit, external cash pools, and marketable investments) that arise from transactions and events involving cash or cash equivalents are recognized.
2. Liabilities for cash (or cash equivalents) held on behalf of others or held in escrow are recognized.
3. Capital assets for which cash is expended for the asset and then depreciated over its useful life.
4. Liabilities for which cash is received and then repaid over the loan period.

**CANBY FIRE DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2023**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Measurement Focus and Basis of Accounting (Continued)*

The modified cash basis of accounting differs from generally accepted accounting principles primarily because certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected and other accrued revenue and receivables) and certain liabilities and their related expenses or expenditures (such as accounts payable and expenses for goods and services received but not yet paid and other accrued expenses and liabilities) are not recorded in these financial statements. Other economic assets, deferred outflows, liabilities, and deferred inflows that do not arise from a cash transaction or event are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value. Additionally, capital assets and long-term liabilities are reported only in the government-wide financial statements and in the notes to the financial statements.

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

The District's policy, although not in accordance with GAAP, is acceptable under Oregon Law (ORS 294.333), which leaves the selection of the method of accounting to the discretion of the municipal corporation.

*Cash and Investments*

The District maintains cash and cash equivalents in a common pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of assets and liabilities as cash and cash equivalents. The District considers cash on hand, demand deposits and savings accounts, and short-term investments with an original maturity of three months or less from the date of acquisition to be cash and cash equivalents.

Oregon Revised Statutes authorize the District to invest in certificates of deposit, savings accounts, bank repurchase agreements, bankers' acceptances, general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities and the State Treasurer's Local Government Investment Pool, among others.

Investments are stated at cost, which approximates fair value.

*Property Taxes*

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. The District's property tax collection records show that most of the property taxes due are collected during the year of levy and delinquent taxes are collected in the next few years.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Capital Assets*

Capital assets (items costing more than \$5,000 and lasting more than one year) are reported in the governmental wide financial statements and in the notes to the financial statements. In the fund statements, capital assets are charged as expenditures as purchased. Capital assets are recorded at cost or estimated historical cost. Donated assets are not recorded. Maintenance and repairs are expensed as incurred. Replacements which improve or extend the lives of property are capitalized.

Capital assets are depreciated unless they are inexhaustible in nature (e.g., land and right-of-ways). Depreciation is an accounting process to allocate the cost of capital assets in a systematic and rational manner to those periods expected to benefit from the use of capital assets. Depreciation is not intended to represent an estimate in the decline of fair market value, nor are capital assets, net of accumulated depreciation, intended to represent an estimate of the current condition of the assets, or the maintenance requirements needed to maintain the assets at their current level of condition.

Depreciation is computed over the estimated useful lives of the capital assets. Depreciation is calculated on the straight-line basis. The estimated useful lives of the various categories of assets are as follows:

Buildings and improvements	30 - 50 years
Equipment	10 - 30 years

Upon disposal of capital assets, cost and accumulated depreciation are removed from the accounts.

*Long-Term Debt*

Long-term debt is presented only in the governmental-wide statements and in the notes to the financial statements. Payments of principal and interest are recorded as expenditures/expenses when paid.

*Accrued Compensated Absences*

Accumulated unpaid vacation and sick pay is recorded as an expenditure when paid.

*Budgets and Budgetary Accounting*

The District prepares its budget on the cash basis for all funds. Expenditures of a fund may not legally exceed the annual appropriations for the major object class (personal services, materials and services, capital outlay, debt service, and contingency). The Board of Directors may amend the budget to expend unforeseen revenues by supplemental appropriations. All supplemental appropriations are included in the final budget column of all budget comparison statements. All annual appropriations lapse at fiscal year-end. The District does not use encumbrance accounting.

*Use of Estimates*

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect reporting amounts of certain assets, liabilities, revenues, and expenses as of and for the year ended June 30, 2023. Actual results may differ from such estimates.

**CANBY FIRE DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2023**

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**CASH AND INVESTMENTS**

Cash and investments are comprised of the following at June 30, 2023:

<b>Cash</b>	
Checking accounts	\$ 131,678
<b>Investments</b>	
Money market accounts	50,160
LGIP	4,053,384
	<hr/>
	\$ 4,235,222
	<hr/> <hr/>

*Deposits*

At June 30, 2023, the District's deposits at financial institutions had a book value of \$181,838 and had bank balances of \$359,519. Bank balances are secured to legal limits by federal deposit insurance. The remaining amount is secured in accordance with ORS 295 under a collateral program administered by the Oregon State Treasurer.

*Custodial Credit Risk - Deposits*

This is the risk that in the event of a bank failure, the District's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the District's deposits with financial institutions for up to \$250,000 each for the aggregate of all demand deposits and the aggregate of all time deposit and savings accounts at each financial institution. Deposits in excess of FDIC coverage are with institutions participating in the Oregon Public Funds Collateralization Program. The PFCP is a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized, or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities. As of June 30, 2023, \$109,519 of the District's bank balances was exposed to custodial credit risk as part of the Public Funds Collateralization Program.

*Investments*

The State Treasurer of the State of Oregon maintains the Oregon Short Term Fund, of which the Local Government Investment Pool (LGIP) is part. Participation by local governments is voluntary. At June 30, 2023, the carrying value of the position in the Oregon State Treasurer's Short Term Investment Pool approximates fair value. The investment in the Oregon Short Term Fund is not subject to risk evaluation. Separate financial statements for the Oregon Short Term Fund are available from the Oregon State Treasurer.

**CANBY FIRE DISTRICT****NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

YEAR ENDED JUNE 30, 2023

**CASH AND INVESTMENTS (Continued)***Investments (Continued)*

The LGIP is administered by the Oregon State Treasury with the advice of other state agencies and is not registered with the U.S. Securities and Exchange Commission. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision, or public corporation of the state that by law is made the custodian of or has control of any fund.

The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short Term Fund Board, which has established diversification percentages and specifies the types and maturities of the investments. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP.

These investments within the LGIP must be invested and managed as a prudent investor would, exercising reasonable care, skill, and caution. Professional standards indicate that the investments in external investment pools are not subject to custodial risk because they are not evidenced by securities that exist in physical or book entry form. Nevertheless, management does not believe that there is any substantial custodial risk related to investments in the LGIP. The LGIP is not rated for credit quality.

**CAPITAL ASSETS**

Capital asset transactions for the year were as follows:

	<i>Balances July 1, 2022</i>	<i>Increases</i>	<i>Decreases</i>	<i>Balances June 30, 2023</i>
Nondepreciable capital assets				
Land	\$ 291,575	\$ -	\$ -	\$ 291,575
Construction in progress	1,780,215	416,646	(2,196,861)	-
<i>Total nondepreciable</i>	<u>2,071,790</u>	<u>416,646</u>	<u>(2,196,861)</u>	<u>291,575</u>
Depreciable capital assets				
Buildings and improvements	4,494,097	1,774,238	-	6,268,335
Apparatus	2,822,317	422,623	-	3,244,940
Equipment	1,531,392	29,514	-	1,560,906
<i>Total depreciable</i>	<u>8,847,806</u>	<u>2,226,375</u>	<u>-</u>	<u>11,074,181</u>
Accumulated depreciation				
Buildings and improvements	(1,205,078)	(99,679)	-	(1,304,757)
Apparatus	(1,369,944)	(136,926)	-	(1,506,870)
Equipment	(727,354)	(146,948)	-	(874,302)
	<u>(3,302,376)</u>	<u>(383,553)</u>	<u>-</u>	<u>(3,685,929)</u>
Depreciable capital assets, net	<u>5,545,430</u>	<u>1,842,822</u>	<u>-</u>	<u>7,388,252</u>
<i>Capital assets, net of depreciation</i>	<u>\$ 7,617,220</u>	<u>\$ 2,259,468</u>	<u>\$ (2,196,861)</u>	<u>\$ 7,679,827</u>



**CANBY FIRE DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2023**

**LONG-TERM DEBT**

Long-term liabilities for the year ended June 30, 2023 are as follows:

	<i>Outstanding July 1, 2022</i>	<i>Issued</i>	<i>Matured/ Redeemed During Year</i>	<i>Outstanding June 30, 2023</i>	<i>Due Within One Year</i>
2019 G. O. Bonds - Direct Placement	\$ 3,785,440	\$ -	\$ (448,487)	\$ 3,336,953	\$ 477,060

*Direct borrowings – Governmental Activities*

2019 G. O. Bonds: On January 22, 2019 the District entered into a bond agreement with Columbia Bank for capital improvements. The bonds are in the amount of \$4,900,000 and call for annual payments ranging between \$488,041 and \$657,105. The bonds bear interest at 2.69%. Final maturity is June 1, 2029. The bonds are general obligation of the District, and the District has agreed to annually levy taxes sufficient to make the debt service payments.

<i>Fiscal Year Ending June 30,</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2024	\$ 477,060	\$ 89,764	\$ 566,824
2025	506,898	76,932	583,830
2026	538,049	63,296	601,345
2027	570,562	48,822	619,384
2028	604,492	33,474	637,966
2029	639,892	17,213	657,105
	<u>\$ 3,336,953</u>	<u>\$ 329,501</u>	<u>\$ 3,666,454</u>

**PENSION PLAN**

Plan Description - District employees are provided pension benefits through the Oregon Public Employees Retirement System (PERS). PERS is a cost-sharing multiple-employer defined benefit pension plan for units of state and local government in Oregon, containing multiple actuarial pools. Benefits are established and amended by the Oregon State Legislature pursuant to ORS Chapters 238 and 238A.

The legislature has delegated the authority to administer and manage PERS to the Public Employees Retirement Board. PERS issues a publicly available financial report that can be found at:

<https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

Benefits Provided - PERS provides retirement, disability, and death benefits which vary based on a qualified employee's hiring date and employment class (general service or police/fire). All District employees are eligible to participate after six months of covered employment. Details applicable to police/fire employees are noted in [square brackets] where different.

**CANBY FIRE DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2023**

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**PENSION PLAN (Continued)**

The Tier One/Tier Two Retirement Plan applies to qualifying employees hired before August 29, 2003 and is closed to new members.

Monthly retirement benefits are based on final 3-year average salary multiplied by years of service and a factor of 1.67% [2.00%]. Benefits may also be based on a money match computation, or formula plus annuity (for members contributing before August 21, 1981), if a greater benefit results. Employees are fully vested after making contributions in each of five calendar years and are eligible to retire at age 55 [50]. Tier One benefits are reduced if retirement occurs prior to age 58 [55] with less than 30 [25] years of service; Tier Two benefits are reduced for retirement prior to age 60.

Employees are eligible for service-related disability benefits regardless of length of service; 10 years of service is required for nonservice-related benefits. Disability benefits are determined in the same manner as retirement benefits with service time computed to age 58 [55].

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance. The beneficiary may also receive a matching lump-sum payment from employer funds if the member was in covered employment at the time of death, or if the member died less than 120 days after termination, while on official leave of absence, or as a result of a job-related injury.

Monthly benefits are subject to annual cost-of-living adjustments (COLA). For benefits earned after the relevant effective dates, the COLA is subject to a cap of 1.25% on the first \$60,000 of annual benefits and 0.15% thereafter (ORS 238.360).

The Oregon Public Service Retirement Plan (OPSRP) applies to qualifying employees hired on or after August 29, 2003.

Monthly retirement benefits are based on final 3-year average salary multiplied by years of service and a factor of 1.50% [1.80%]. Employees are fully vested after completing 600 hours of service in each of five calendar years and are eligible to retire at age 58 [53] with 30 [25] years of service, or at age 65 [60] otherwise.

Employees are eligible for service-related disability benefits regardless of length of service; 10 years of service is required for nonservice-related benefits. The benefit is 45% of the employee's salary during the last full month of employment before the disability occurred.

Upon the death of a non-retired member, the beneficiary receives a monthly benefit equal to 50% of the retirement benefit that would have been paid to the member.

Monthly benefits are subject to annual cost-of-living adjustments (COLA). For benefits earned after the relevant effective dates, the COLA is subject to a cap of 1.25% on the first \$60,000 of annual benefits and 0.15% thereafter (ORS 238A.210).

Contribution Requirements – As a participating employer, the District is required to make monthly contributions to PERS based on actuarially determined percentages of covered payroll. Rates in effect for fiscal year 2023 were 27.82% for Tier One/Tier Two employees, 19.95% for OPSRP general service employees, and 24.31% for OPSRP police/fire employees. The District's total contributions to PERS were \$787,376 for fiscal year ended June 30, 2023.

**CANBY FIRE DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2023**

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***PENSION PLAN (Continued)***

Contribution requirements are established by Oregon statute and may be amended by an act of the Oregon State Legislature. Employer contribution rates for fiscal year 2023 were based on the December 31, 2019 actuarial valuation using the entry age normal actuarial cost method. It is important to note that the actuarial valuations used for rate setting are based on different methods and assumptions than those used for financial reporting which are described later in this note.

Employee contributions are set by statute at 6% of salary and are remitted by participating employers, who may agree to make employee contributions on the employee's behalf. Prior to January 1, 2004, employee contributions were credited to the defined benefit pension plan. Beginning January 1, 2004, all employee contributions were placed in the OPSRP Individual Account Program (IAP), a defined contribution pension plan described further at the end of this note.

Pension Assets/Liabilities, Pension Expense, and Pension-Related Deferrals – At June 30, 2023, the District had a net pension liability of \$4,064,791 as its proportionate share of the collective net pension liability for PERS, measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was based on a December 31, 2020 actuarial valuation, rolled forward to the measurement date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to PERS relative to the projected contributions of all participating employers, as actuarially determined. The District's proportion was 0.0265% as of the June 30, 2022 measurement date, compared to 0.0272% as of June 30, 2021.

Actuarial Methods and Assumptions – The total pension liability in the December 31, 2020 actuarial valuation was determined using the entry age normal method and the following actuarial assumptions, applied to all periods included in the measurement: inflation rate of 2.40%, projected salary increases of 3.40%, investment rate of return of 6.90%, and mortality rates based on the Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the December 30, 2019 valuation.

The long-term expected rate of return on pension plan investments was developed by combining estimated rates of return for each major asset class weighted by target asset allocation percentages and adjusting for inflation.

Target allocations and estimated geometric rates of return for each major asset class are available in the PERS publicly available financial report previously mentioned.

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined.

Based on those assumptions, the pension plan's fiduciary net 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 was applied to all periods of projected benefit payments to determine the total pension liability.

**CANBY FIRE DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2023**

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**PENSION PLAN (Continued)**

The following chart shows the sensitivity of the net pension liability (asset) to changes in the discount rate, based on calculations using discount rates of 5.90%, 6.90%, and 7.90%.

	<u>1% Decrease</u> <u>(5.90%)</u>	<u>Discount Rate</u> <u>(6.90%)</u>	<u>1% Increase</u> <u>(7.90%)</u>
Proportionate share of the net pension liability	\$ 7,208,555	\$ 4,064,791	\$ 1,433,606

Pension Plan Fiduciary Net Position – Detailed information about PERS’ net position is available in its separately issued financial report.

Defined Contribution Plan – PERS-eligible employees are statutorily required to contribute 6% of their annual covered salary to the OPSRP Individual Account Program (IAP), a defined contribution pension plan. Benefits terms, including contribution requirements, are established by the Oregon Legislature. As permitted, the District has opted to pick-up the contributions on behalf of employees. Total contributions were \$176,455 for the fiscal year. Employees are fully vested after completing 600 hours of service in each of five calendar years. PERS contracts with VOYA Financial to administer the IAP.

**COMMITMENTS AND CONTINGENCIES**

The District purchases commercial insurance to cover all commonly insurable risks, which includes property damage, liability, and employee bonds. Most policies carry a small deductible amount. No insurance claims settled in each of the prior three years have exceeded policy coverage.

From time to time, the District is a defendant in various litigation proceedings. Management believes any losses arising from these actions will not materially affect the District’s financial position.

The District has received several federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. Based upon prior experience, District management believes such disallowances, if any, will be immaterial.

***SUPPLEMENTAL INFORMATION***

**CANBY FIRE DISTRICT**

**RECONCILIATION OF BUDGETARY FUNDS TO REPORTING FUNDS – GENERAL FUND**

**BALANCE SHEET**

**JUNE 30, 2023**

	<u>Budgetary funds</u>		
	<u>General Fund</u>	<u>PERS Fund</u>	<u>Total (reported as General Fund)</u>
<b>ASSETS</b>			
Cash and investments	\$ 3,147,211	\$ 45,000	\$ 3,192,211
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>	\$ -	\$ -	\$ -
<b>Fund Balance</b>			
Restricted for:			
Fire protection	70,000	-	70,000
Committed to:			
Personnel	-	45,000	45,000
Unassigned	3,077,211	-	3,077,211
<i>Total Fund Balance</i>	<u>3,147,211</u>	<u>45,000</u>	<u>3,192,211</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 3,147,211</u>	<u>\$ 45,000</u>	<u>\$ 3,192,211</u>

**CANBY FIRE DISTRICT****RECONCILIATION OF BUDGETARY FUNDS TO REPORTING FUNDS – GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2023**

	<u>Budgetary funds</u>			<i>Total (reported as General Fund)</i>
	<u>General Fund</u>	<u>PERS Fund</u>	<u>Eliminations</u>	
<b>REVENUES</b>				
Taxes and assessments	\$ 5,439,522	\$ -	\$ -	\$ 5,439,522
Grant income	70,000	-	-	70,000
Charges for services	1,596,583	-	-	1,596,583
Intergovernmental	61,118	-	-	61,118
Miscellaneous	236,264	-	-	236,264
<i>Total Revenues</i>	<u>7,403,487</u>	<u>-</u>	<u>-</u>	<u>7,403,487</u>
<b>EXPENDITURES</b>				
Personal services	5,451,624	-	-	5,451,624
Materials and services	1,469,141	-	-	1,469,141
Capital outlay	143,113	-	-	143,113
<i>Total Expenditures</i>	<u>7,063,878</u>	<u>-</u>	<u>-</u>	<u>7,063,878</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	339,609	-	-	339,609
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(318,000)	-	-	(318,000)
<b>NET CHANGES IN FUND BALANCES</b>	21,609	-	-	21,609
<b>FUND BALANCE, beginning of year</b>	<u>3,125,602</u>	<u>45,000</u>	<u>-</u>	<u>3,170,602</u>
<b>FUND BALANCE, end of year</b>	<u>\$ 3,147,211</u>	<u>\$ 45,000</u>	<u>\$ -</u>	<u>\$ 3,192,211</u>

**CANBY FIRE DISTRICT****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE****(BUDGETARY BASIS) - BUDGET AND ACTUAL - GENERAL FUND****YEAR ENDED JUNE 30, 2023**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Taxes and assessments	\$ 4,979,426	\$ 4,979,426	\$ 5,439,522	\$ 460,096
Charges for services	1,084,000	1,229,000	1,596,583	367,583
Intergovernmental	35,106	35,106	61,118	26,012
Grant revenue	5,000	35,000	70,000	35,000
Miscellaneous	90,670	90,670	236,264	145,594
<i>Total Revenues</i>	6,194,202	6,369,202	7,403,487	1,034,285
<b>EXPENDITURES</b>				
Personal services	5,770,435	5,813,435	5,451,624	361,811
Materials and services	1,745,841	1,868,401	1,469,141	399,260
Capital outlay	218,926	228,366	143,113	85,253
Special payments	25,000	25,000	-	25,000
Contingency	800,000	800,000	-	800,000
<i>Total Expenditures</i>	8,560,202	8,735,202	7,063,878	1,671,324
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(2,366,000)	(2,366,000)	339,609	2,705,609
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(318,000)	(318,000)	(318,000)	-
<b>NET CHANGES IN FUND BALANCE</b>	(2,684,000)	(2,684,000)	21,609	2,705,609
<b>FUND BALANCE, beginning of year</b>	2,684,000	2,684,000	3,125,602	441,602
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 3,147,211	\$ 3,147,211



**CANBY FIRE DISTRICT**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

**(BUDGETARY BASIS) - BUDGET AND ACTUAL - PERS FUND**

**YEAR ENDED JUNE 30, 2023**

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	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>	-	-	-	-
<b>NET CHANGES IN FUND BALANCE</b>	-	-	-	-
<b>FUND BALANCE, beginning of year</b>	45,000	45,000	45,000	-
<b>FUND BALANCE, end of year</b>	<u>\$ 45,000</u>	<u>\$ 45,000</u>	<u>\$ 45,000</u>	<u>\$ -</u>

**CANBY FIRE DISTRICT**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
(BUDGETARY BASIS) - BUDGET AND ACTUAL - BOND CAPITAL CONSTRUCTION FUND  
YEAR ENDED JUNE 30, 2023**

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	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Miscellaneous	\$ -	\$ 3,200	\$ 3,203	\$ 3
<b>EXPENDITURES</b>				
Materials and services	-	5,966	-	5,966
Capital outlay	262,056	370,779	303,547	67,232
<i>Total Expenditures</i>	<u>262,056</u>	<u>376,745</u>	<u>303,547</u>	<u>73,198</u>
<b>NET CHANGES IN FUND BALANCE</b>	(262,056)	(373,545)	(300,344)	73,201
<b>FUND BALANCE, beginning of year</b>	<u>262,056</u>	<u>373,545</u>	<u>300,344</u>	<u>(73,201)</u>
<b>FUND BALANCE, end of year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**CANBY FIRE DISTRICT**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

**(BUDGETARY BASIS) - BUDGET AND ACTUAL – APPARATUS RESERVE FUND**

**YEAR ENDED JUNE 30, 2023**

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	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>	-	-	-	-
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	318,000	318,000	318,000	-
<b>NET CHANGES IN FUND BALANCE</b>	318,000	318,000	318,000	-
<b>FUND BALANCE, beginning of year</b>	521,379	521,379	521,379	-
<b>FUND BALANCE, end of year</b>	\$ 839,379	\$ 839,379	\$ 839,379	\$ -

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**CANBY FIRE DISTRICT****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE****(BUDGETARY BASIS) - BUDGET AND ACTUAL - BOND DEBT SERVICE FUND****YEAR ENDED JUNE 30, 2023**

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	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Taxes and assessments	\$ 488,041	\$ 488,041	\$ 587,543	\$ 99,502
<b>EXPENDITURES</b>				
Debt service				
Principal	448,487	448,487	448,487	-
Interest	101,829	101,829	101,828	1
<i>Total Expenditures</i>	550,316	550,316	550,315	1
<b>NET CHANGES IN FUND BALANCE</b>	(62,275)	(62,275)	37,228	99,503
<b>FUND BALANCE, beginning of year</b>	62,275	62,275	166,404	104,129
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 203,632	\$ 203,632

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***COMPLIANCE SECTION***



## GROVE, MUELLER & SWANK

**redw**  
Advisors & CPAs

### ***INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS***

Board of Directors  
Canby Fire District  
Canby, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Canby Fire District (the District) as of and for the year ended June 30, 2023, and have issued our report thereon dated May 30, 2024.

#### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial 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 include, but were not limited to the following:

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

In connection with our testing nothing came to our attention that caused us to believe 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.

#### ***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

***Restriction on Use***

This report is intended solely for the information and use of the council members and management of the District 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, appearing to read "Devan W. Esch". The signature is fluid and cursive, with the first name "Devan" and last name "Esch" clearly legible.

Devan W. Esch, Principal  
For REDW LLC  
Salem, Oregon  
May 30, 2024