JEFFERSON COUNTY FIRE AND EMS DISTRICT
(Jefferson County, Oregon)

Financial Statements and Supplementary Information

June 30, 2024

Together with
Independent Auditors' Report

JEFFERSON COUNTY FIRE AND EMS DISTRICT
(Jefferson County, Oregon)

YEAR ENDED JUNE 30, 2024

Elected Officials

Scott Leeper – President
Kim Stout – Vice President
Ryan Boyle – Secretary
Rob Gaylen – Director
Ben Anderson - Director

Interim Fire Chief

Kasey Skaar
765 SE 5th Street, PO Box 30
Madras, Oregon 97741

The District did not have a registered agent at the end of the fiscal year

JEFFERSON COUNTY FIRE AND EMS DISTRICT
(Jefferson County, Oregon)

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Management
Jefferson County Fire and EMS
Jefferson County, Oregon

Opinions

We have audited the accompanying financial statements of governmental activities and each major fund of Jefferson County Fire and EMS District (the District), Jefferson County, Oregon, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Jefferson County Fire and EMS District as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America (US GAAP).

Basis for Qualified Opinions

The District's records related to emergency medical service revenue and accounts receivable were not adequate to permit the application of auditing procedures to determine the proper amount of revenue recognized. Accordingly, we were unable to obtain sufficient appropriate audit evidence regarding the reported amount of emergency medical services revenue included in the revenue for the year ended June 30, 2024.

The District provides an implicit rate subsidy associated with its healthcare coverage that is required to be measured and reported as an other post-employment benefit (OPEB) liability under governmental accounting standards. The District did not obtain an actuarial valuation necessary to measure this liability. Because of the absence of this information, we were unable to obtain sufficient appropriate audit evidence regarding the amounts related to the implicit rate subsidy, including the total OPEB liability, deferred outflows and inflows of resources, and OPEB expense. Accordingly, we were unable to determine whether any adjustments might have been necessary to these amounts and the related disclosures.

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 Auditors' 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 Matters

We draw attention to Note 13 of the financial statements, which describes the restatement of beginning fund balance and net position as a result of prior year error corrections. The error correction relates to an understatement of cash and lease receivables. Our opinion is not modified with respect to this matter.

Additionally, Note 13 further describes changes to beginning net position related to the merger between the District and Jefferson County EMS, which was finalized on July 1, 2023. The finalization of the merger resulted in the District's acquisition of Jefferson County EMS Oregon PERS net pension obligation on that date. Our opinion is not modified with respect to this matter.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance US GAAP. 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.

Auditors' 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 auditors' 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.

Required 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. The accompanying management's discussion and analysis ("MD&A"), pension and other post-employment benefit (OPEB), and budgetary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying MD&A, pension, and OPEB schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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. We do not express an opinion or provide any assurance on the MD&A, pension, and OPEB schedules because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The schedule of revenues, expenditures, and changes in fund balance, budget and actual for the general fund 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 statements of revenues, expenditures, and changes in fund balance, budget and actual for the general fund is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the schedule of revenues, expenditures, and changes in fund balance, budget and actual for the capital project fund but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work performed, we conclude that a material misstatement of the other information exists, we are required to report that fact. We have nothing to report in this regard.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated August 13, 2026 on our tests of the District's compliance with certain provisions of laws and regulations 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.

Brenda Bartlett

Brenda Bartlett, CPA
Sensiba LLP
Bend, Oregon

August 13, 2026

JEFFERSON COUNTY FIRE AND EMS DISTRICT
(Jefferson County, Oregon)
Management's Discussion and Analysis
Year Ended June 30, 2024

As management of the Jefferson County Fire and EMS (District), we offer readers of the District's financial statements this narrative overview and analysis of the District for the year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information found in the body of the audited financial statements. This Management Discussion and Analysis (MD&A) is based on currently known facts, decisions, and conditions that existed as of the date of the independent auditor's report and is intended to facilitate both a short-term and long-term analysis of the financial activities of the District for the fiscal year ended June 30, 2024.

Financial Highlights:

- In the Government-Wide financial statements, the assets of the district exceeded its liabilities at June 30, 2024 by $140,176. Of this amount, $2,484,100 represents the District's net investment in capital assets, net of related debt, and $36,627 represents amounts restricted by grantor requirements. Unrestricted net position was deficit $2,380,551 at June 30, 2024, primarily related to the assumption of the former Jefferson County EMS district's pension obligations as a result of the merger and construction of a new building, including seismic upgrades.
- At June 30, 2024, the District's governmental funds reported a deficit ending fund balance of $111,041, largely attributed to merging in Jefferson County EMS operations but being unable to bill in a timely manner due difficulty in obtaining proper credentials to be reimbursed by Medicaid, Medicare and other insurance providers. Of the deficit balance, $165,810 was nonspendable and $36,627 was restricted by grantor requirements, resulting in a deficit unassigned ending fund balance of $313,478.

Overview of the Financial Statements:

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements and other required supplementary information. 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 financial statements. This report also contains required supplementary information and 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 the private-sector business, and include the Statement of Net Position and the Statement of Activities.

The Statement of Net Position presents the financial information on all of the District's assets, 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).

In the Government-Wide financial statements, the District's activities are shown in one category: governmental activities. The governmental activities are principally supported by property taxes and charges for services. The governmental activities of the District comprise of general government and public safety and are principally supported by property taxes. The government-wide financial statements can be found on the pages listed on the table of contents.

Fund financial statements: The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District's funds are all classified as governmental funds.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance are reconciled to the government-wide Statement of Net Position and Statement of Activities. These reconciliations can be found on the pages listed on the table of contents.

During the fiscal year ended June 30, 2024, the District maintained two governmental funds: the general fund and a capital project fund where capital outlay related to a seismic grant was reported.

The District adopts an annual budget and appropriates expenditures for all governmental funds. To demonstrate compliance with the budget, the District has included a budgetary comparison schedule for both of its major funds.

The basic governmental fund financial statements can be found on the pages listed on the table of contents of this report.

Notes to the financial statements: The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. They are an integral part of the financial statements and should be read in conjunction with them. The notes can be found on pages listed on the table of contents of this report.

Government-wide Financial Analysis: A comparison of the summarized statement of net position to the prior year is presented below. Comparison of current-year balances to prior-year balances should be considered in conjunction with the prior-period adjustment acquisition of Oregon PERS related balances described in Note 13.

	Governmental Activities	
	June 30, 2024	June 30, 2023
Current and other assets	$ 2,621,862	$ 3,836,634
Capital assets	2,544,260	1,431,949
Total assets	5,166,122	5,268,583
Total deferred outflows	830,223	173,758
Other liabitliies	2,769,290	574,770
Long term liabiltiies	2,639,306	755,761
Total liabilities	5,408,596	1,330,531
Total deferred inflows	447,573	262,217
Net position:		
Net investment in capital assets	2,484,100	1,431,949
Restricted	36,627	-
Unrestricted	(2,380,551)	2,417,644
Total net position	$ 140,176	$ 3,849,593

The District's net position reflects $2,484,100 investment in capital assets (e.g. land, buildings, fire apparatus and equipment) net of accumulated depreciation; less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

The remaining assets primarily consist of cash and cash equivalents and property taxes receivable which are used to meet the District's ongoing obligations to its citizens.

Liabilities increased substantially over the prior year primarily due to the assumption of the EMS net pension obligation which was charged to prior year net position and a short-term tax anticipation note (TAN) used to fund building construction and operation expenses. The TAN matures in November 2024 upon receipt of property taxes.

Governmental activities decreased the District's net position in the current year by $2,758,990. The decrease was primarily related to expenses incurred in providing emergency medical services without insurance reimbursement. All of the governmental activity for the District is directed for public safety. A comparison of the District's statement of activities to the prior year is presented below. The year ended June 30, 2023 comparative activity has not been revised in the table below for the changes to beginning net position.

	Year Ended June 30, 2024	Year Ended June 30, 2023
Revenues:		
Program revenues		
Charges for services	$ 252,580	$ 4,312,286
Operating grants and contributions	372,404	127,720
Capital grants and contributions	290,840	-
Total program revenues	915,824	4,440,006
General revenues		
Property taxes	1,198,856	1,119,470
Earnings on investments	31,199	38,619
Special item-Assets transferred under intergovernmental agreement	-	191,373
Miscellaneous	91,533	52,866
Total general revenues	1,321,588	1,402,328
Total revenues	2,237,412	5,842,334
Expenses:		
Public safety	4,917,453	4,231,579
Loss on disposal of capital assets	78,949	-
Total expenses	4,996,402	4,231,579
Change in net position	(2,758,990)	1,610,755
Net position - beginning, as previously reported	3,849,593	2,238,838
Merger transaction assumption of PERS liability	(1,147,604)	-
Error corrections - see footnote 13	197,177	-
Net position, end of year	$ 140,176	$ 3,849,593

Governmental Funds: The focus of the District's governmental funds is to provide information on short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use or future spending as they represent the portion of fund balance at the end of the fiscal year. As of June 30, 2024, unassigned fund balance was deficit $313,478.

Ending fund balance of the general fund decreased by $3,466,706 during the fiscal year ended June 30, 2024. The decrease was related to funding expenditures for emergency medical services which were not reimbursed by insurance companies due to the District's inability to obtain insurance provider credentials after the merger of the fire and EMS districts.

General Fund Budgetary Highlights:

There were changes made to the original adopted budget in the general fund. An unanticipated capacity grant was received to fund personnel expenditures, increasing the original appropriation by $350,000. In the general fund, the District overspent its appropriation for capital outlay by $1,258,313 million.

Capital Asset and Debt Administration:

At June 30, 2024, the District had $2,484,891 invested in a broad range of capital assets, net of accumulated depreciation, including land and land improvements buildings and building improvements, fire apparatus and vehicles, furniture, fixtures and equipment. Construction in progress (CIP) related to building improvements and seismic upgrades in the amount of $900,000 was reported at June 30, 2024. The District's total net investment in capital assets increased by $1.1 million related to significant CIP and equipment purchases, along with depreciation expense of $190,000.

Economic Factors and Future Years' Budget Projections:

For the 2024-2025 fiscal cycle, the District anticipates continued reliance on property tax revenues as its primary source of operating funds. The District continues to experience the effects of urban renewal districts within its service area, including the City of Madras Housing Urban Renewal District (HURD). A significant portion of new residential development remains concentrated within these district boundaries, resulting in limited property tax revenue growth to the Fire District from new construction for a number of years. The District also continues to face challenges associated with commercial and industrial development occurring within Enterprise Zone boundaries. While these developments may not immediately contribute significant tax revenues to the District, the District remains responsible for providing fire protection and emergency response services to these properties. Combined with ongoing residential growth, these factors continue to increase service demands on the District.

As the community continues to grow, the District faces increasing pressure on staffing, equipment, and operational resources. Like many fire agencies across the nation, the District continues to experience challenges in recruiting, training, and retaining volunteer firefighters. The District remains heavily dependent on volunteer personnel and recognizes the need to maintain adequate staffing levels to meet community expectations and emergency response requirements. The District also continues to monitor the financial impacts of the Public Employees Retirement System (PERS), including its unfunded actuarial liability and associated employer contribution rates. In addition, rising healthcare, fuel, equipment, maintenance, and operating costs continue to outpace growth in traditional revenue sources, placing additional pressure on the District's budget.

Many of the District's fire apparatus and major equipment assets continue to age and will require significant capital investment in the coming years. The Board of Directors remains committed to long-term planning for apparatus replacement and infrastructure needs and may need to evaluate additional funding opportunities to ensure the District can maintain service levels and meet future operational demands.

Effective July 1, 2023, the District merged with the Jefferson County Emergency Medical Services District. During fiscal year 2023-2024, the combined organization continued integrating operations and resources to enhance regional fire and emergency medical services. The District anticipates that the merger will provide long-term operational efficiencies, improved service delivery, and enhanced emergency and non-emergency medical transport capabilities throughout the region.

Requests for Information:

The financial report is designed to provide a general overview of the District's finances for those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Interim Fire Chief Kasey Skaar at Jefferson County Fire and EMS, 765 SE 5th Street, PO Box 30, Madras, Oregon 97741.

BASIC FINANCIAL STATEMENTS

JEFFERSON COUNTY FIRE AND EMS DISTRICT
Jefferson County, Oregon

Statement of Net Position
June 30, 2024

		Governmental Activities
ASSETS		
Cash and investments	$	2,319,855
Receivables		134,041
Inventory		44,785
Prepaid expenses		121,026
Net other post-employment asset - RHIA		2,155
Capital assets		
Non-depreciable assets		974,068
Depreciable assets, net of depreciation		1,570,192
Total capital assets		2,544,260
TOTAL ASSETS		5,166,122
DEFERRED OUTFLOWS OF RESOURCES		
Pension outflows		824,106
Other post-employment benefit outflows		6,117
TOTAL DEFERRED OUTFLOWS OF RESOURCES		830,223
LIABILITIES		
Accounts payable		78,181
Accrued payroll liabilities		995,680
Unearned grant revenue		504,049
Accrued compensated absences		91,380
Tax anticipation note payable		1,100,000
Lease liability		60,160
Net pension liability		2,579,146
TOTAL LIABILITIES		5,408,596
DEFERRED INFLOWS OF RESOURCES		
Pension inflows		447,463
Other post-employment benefit inflows		110
TOTAL DEFERRED INFLOWS OF RESOURCES		447,573
NET POSITION		
Net investment in capital assets		2,484,100
Restricted for grantor requirements		36,627
Unrestricted		(2,380,551)
TOTAL NET POSITION	$	140,176

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

JEFFERSON COUNTY FIRE AND EMS DISTRICT
Jefferson County, Oregon

Statement of Activities
Year Ended June 30, 2024

FUNCTIONS/PROGRAMS	Direct Expenses	Program revenues: Charges for services	Program revenues: Operating grants and contributions	Program revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental activities:					
Public safety	$ 4,917,453	$ 252,580	$ 372,404	$ 290,840	$ (4,001,629)
Loss on disposal of capital assets	78,949	-	-	-	(78,949)
Total governmental activities	$ 4,996,402	$ 252,580	$ 372,404	$ 290,840	$ (4,080,578)
General revenues:					
Property taxes levied for general purposes					1,198,856
Earnings on investments					31,199
Miscellaneous					91,533
Total general revenues					1,321,588
Change in net position					(2,758,990)
Net position - beginning, as previously reported					3,849,593
Merger transaction assumption of PERS liability					(1,147,604)
Error corrections - see footnote 13					197,177
Net position - beginning, as restated					2,899,166
Net position - ending					$ 140,176

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

JEFFERSON COUNTY FIRE AND EMS DISTRICT
Jefferson County, Oregon

Balance Sheet
Governmental Funds
June 30, 2024

ASSETS	General	Capital Projects	Total
Cash and investments	$ 2,319,855	$ -	$ 2,319,855
Accounts receivable	74,635	-	74,635
Property taxes receivable	59,406	-	59,406
Inventory	44,784	-	44,784
Prepaid expenses	121,026	-	121,026
Total assets	$ 2,619,706	$ -	$ 2,619,706
LIABILITIES			
Accounts payable	$ 78,181	$ -	$ 78,181
Note payable	1,100,000	-	1,100,000
Deferred grant revenue	504,049	-	504,049
Accrued payroll liabilities	995,680	-	995,680
Total liabilities	2,677,910	-	2,677,910
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	52,837	-	52,837
Total deferred inflows of resources	52,837	-	52,837
FUND BALANCE			
Nonspendable	165,810	-	165,810
Restricted for grantor requirements	36,627	-	36,627
Unassigned	(313,478)	-	(313,478)
Total fund balance (deficit)	(111,041)	-	(111,041)
Total liabilities, deferred inflows, and fund balance (deficit)	$ 2,619,706	$ -	$ 2,619,706

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

JEFFERSON COUNTY FIRE AND EMS DISTRICT
Jefferson County, Oregon

Reconciliation of Governmental Funds
Balance Sheet To Statement of Net Position
June 30, 2024

TOTAL FUND BALANCE (DEFICIT)			$	(111,041)
Capital assets are not financial resources and therefore are not reported in the governmental funds:				
Acquisition cost	$	6,396,294		
Accumulated depreciation		(3,852,034)		2,544,260
Right of use assets are not financial resources and therefore are not reported in the governmental funds.				-
Pension and other post-employment benefit assets and deferred outflows are not available in the current period and, accordingly, are not reported as governmental fund assets				
Net OPEB asset				2,155
Deferred inflows and outflows of resources related to the pension plan include differences between expected and actual experience, changes of assumptions, differences between projections and actual earning, and contributions subsequent to the measurement date.				
Deferred outflows - PERS		824,106		
Deferred outflows - OPEB - RHIA		6,117		
Deferred inflows - PERS		(447,463)		
Deferred Inflows - OPEB - RHIA		(110)		382,650
A portion of the District's property taxes are collected after year-end, but are not available soon enough to pay for the current year's operations, and therefore are not reported as revenue in the governmental funds.				52,838
Long-term liabilities are not current financial resources and therefore are not reported in the governmental funds balance sheet.				
Net pension obligation - PERS		(2,579,146)		
Right of use lease liabilities		(60,160)		
Compensated absences payable		(91,380)		(2,730,686)
NET POSITION - GOVERNMENTAL ACTIVITIES			$	140,176

JEFFERSON COUNTY FIRE AND EMS DISTRICT
Jefferson County, Oregon

Statement of Revenues, Expenditure and Changes in Fund Balance Governmental Funds
Year Ended June 30, 2024

	General	Capital Projects	Total
REVENUES			
Property taxes	$ 1,195,728	$ -	$ 1,195,728
State grants	630,427	290,840	921,267
Emergency medical services	88,214	-	88,214
Contract services	164,366	-	164,366
Rental income and fire charges for service	52,527	-	52,527
Interest	31,199	-	31,199
Miscellaneous	76,844	-	76,844
Total revenues	2,239,305	290,840	2,530,145
EXPENDITURES			
Public safety			
Personnel services	3,311,869	-	3,311,869
Materials and services	986,321	-	986,321
Capital outlay	1,407,821	290,840	1,698,661
Total expenditures	5,706,011	290,840	5,996,851
Net change in fund balance	(3,466,706)	-	(3,466,706)
Fund balance - beginning, as previously reported	3,117,728	-	3,117,728
Error corrections - see footnote 13	237,937	-	237,937
Fund balance - beginning, as restated	3,355,665	-	3,355,665
Fund balances - end of year	$ (111,041)	$ -	$ (111,041)

JEFFERSON COUNTY FIRE AND EMS DISTRICT
Jefferson County, Oregon

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities
Year Ended June 30, 2024

NET CHANGE IN FUND BALANCES	$	(3,466,706)
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 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 year.		
Expenditures for capital assets		1,407,821
Expenditures for right of use assets		78,119
Less current year depreciation and amortization		(248,899)
Governmental funds report the net proceeds from the sale of capital assets as an other financing source. However, in the Statement of Activities the net book value of assets sold offsets the net proceeds and a gain or loss is reported for the amount of proceeds greater or less than the net book value.		
Gain (loss) from disposition of capital assets		(83,970)
Obligations related to right of use leased assets are not recognized in the governmental fund financial statements as they are not current financial resources.		
New lease obligations		(78,120)
Payments on lease obligations		17,960
Compensated absences are recognized as an expenditure in the governmental funds when they are paid. In the Statement of Activities they are recognized as an expenditure when incurred.		(4,816)
Governmental funds report expenditures for funding employee pensions as expenditures are paid. In the Statement of Activities, they are recognized as expenses based on the actuarially determined amount expected to be incurred.		(391,670)
Governmental funds report expenditures for funding post employment benefits as expenditures are paid. In the Statement of Activities, they are recognized as expenses based on the actuarially determined amount expected to be incurred.		8,163
Property taxes that do not provide current financial resources are not reported as revenue in the governmental funds as they do no meet the available criteria. In the Statement of Activities property taxes are recognized as revenue when levied or earned		3,128
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES	$	(2,758,990)

Notes to the Financial Statements

Note 1: Summary of significant accounting policies

Reporting entity: The financial statements present the activities of Jefferson County Fire and EMS District (the District), which is the primary government and the reporting entity for financial reporting purposes. The Government has considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the Government are such that exclusion would cause the financial statements to be misleading or incomplete.

Management has determined that there are no component units that meet the criteria for inclusion in the reporting entity in accordance with accounting principles generally accepted in the United States of America, as established by the Governmental Accounting Standards Board (GASB). Accordingly, the accompanying financial statements include only the funds and activities of the primary government.

Basis of accounting: The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recognized when liabilities are incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they are both measurable and available to finance current-period expenditures. Expenditures generally are recognized when the related fund liability is incurred, except for certain long-term liabilities, which are recognized when due. Accordingly, the governmental fund financial statements do not present capital assets, long-term liabilities, or other items required to be reported under the accrual basis of accounting.

Reconciliations are provided to explain the adjustments necessary to convert the governmental fund financial statements to the government-wide financial statements.

Under the modified accrual basis of accounting, revenues are recognized when they are both measurable and available. Property taxes levied for the current fiscal year are considered susceptible to accrual and are recognized as revenue in the current period. Intergovernmental revenues and entitlements are recognized when all applicable eligibility requirements, including time requirements, have been met and the resources are available. Resources are considered available when collected within 60 days of year-end and are available to finance current-period obligations.

Grant revenues that are expenditure-driven are recognized when qualifying expenditures have been incurred, all eligibility requirements have been satisfied, and the related resources are available. Other revenues are generally recognized when received in cash because they are not considered both measurable and available to finance current-period expenditures.

Deposits and investments: The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition and monies invested with the Oregon State Treasurer's Local Government Investment Pool (LGIP). Short-term investments are stated at cost which approximates fair value.

State statutes authorize the District to invest in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, commercial paper and the LGIP among others. The LGIP operates in accordance with appropriate state laws and regulations.

Receivables: Receivables are reported showing the total amounts due to the District. Allowances for uncollectible amounts are reported when management deems certain receivables at year end may not be collected.

Prepaid items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

Capital assets: Capital assets are recorded at original or estimated original cost. Donated capital assets are recorded at their estimated fair market value on the date donated. The District defines capital assets as assets with an initial cost of more than $5,000 and an estimated life in excess of one year.

Maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major capital outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	40 years
Apparatus	5 to 15 years
Equipment	5 to 7 years

Leases: The District recognizes a lease liability and a corresponding right-to-use lease asset for leases with a term greater than one year. At the commencement of a lease, the lease liability is measured at the present value of future lease payments expected to be made during the lease term.

The corresponding right-to-use lease asset is measured as the initial amount of the lease liability, adjusted for lease payments made at or before commencement and certain other direct costs.

Lease liabilities are reduced as payments are made and increased for interest accrued on the outstanding obligation. Right-to-use lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

The District has elected not to recognize lease assets and liabilities for short-term leases with a maximum possible term of 12 months or less. Lease payments associated with short-term leases are recognized as expenditures or expenses as incurred.

Deferred outflows /inflows of resources: In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expenditure/expense) until then. The District has items that qualify for reporting in this category. It is the deferred amounts relating to pensions and other post-employment benefits. This amount is deferred and recognized as an outflow of resources in the period when the District recognizes pension expense/expenditures. Deferred outflows are included in the government-wide Statement of Net Position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has items that qualify for reporting in this category. Unavailable revenue from property taxes is reported in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that amount becomes available. The District also reports deferred amounts related to pensions and other post-employment benefits. This amount is deferred and recognized as an inflow of resources in the period when the District recognizes pension income. Deferred inflows are included in the government-wide Statement of Net Position.

Net position flow assumptions: When both restricted and unrestricted resources are available for the same purpose, the District considers restricted resources to be used first.

Fund balance reporting: In the governmental fund financial statements, fund balance is reported in classifications based on the constraints placed on the use of resources. Fund balance classifications include nonspendable, restricted, committed, assigned, and unassigned amounts.

Restricted fund balance represents amounts constrained by external parties or enabling legislation. Committed fund balance represents amounts constrained by formal action of the District's governing body and may be modified or rescinded only through the same formal action. Assigned fund balance represents amounts intended for specific purposes as authorized by the governing body or its designee. Assigned fund balance also includes amounts appropriated in the subsequent year’s budget to offset the difference between anticipated revenues and budgeted expenditures.

Unassigned fund balance represents the residual classification for the General Fund and includes all amounts not contained in the other classifications.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance amounts are available, the District considers restricted amounts to be spent first. When expenditures are incurred for purposes for which committed, assigned, and unassigned fund balance amounts are available, the District considers committed amounts to be spent first, followed by assigned amounts and then unassigned amounts.

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

Property taxes: Property taxes are levied annually and become a lien on property as of July 1. Taxes are payable in installments due November 15, February 15, and May 15. Jefferson County assesses, collects, and remits property taxes to the District.

In the government-wide financial statements, property tax revenue is recognized when levied. In the governmental fund financial statements, property taxes are recognized as revenue when measurable and available. Amounts not collected within 60 days of year-end are reported as deferred inflows of resources.

Property taxes receivable represent uncollected taxes assessed against property within the District. Management considers these amounts fully collectible through the tax lien process; accordingly, no allowance for uncollectible taxes has been recorded.

The District's permanent tax rate for general operations is $1.1847 per $1,000 of assessed value.

Compensated absences: Liabilities for accumulated vacation leave are recognized in the government-wide financial statements as earned by employees. The liability is calculated based on accrued hours at current pay rates, including applicable payroll taxes and employee benefits. Sick leave benefits do not vest and are recognized as expenditures when leave is taken. In the governmental fund financial statements, vacation leave expenditures are recognized when payments are made from current financial resources.

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Use of estimates: The preparation of basic financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

Note 2: Budgetary information

Annual budgets are adopted for all governmental funds in accordance with Oregon budget law and are prepared on the modified accrual basis of accounting. The budget is adopted by fund and expenditure category following review by the budget committee, a public hearing, and approval by the Board.

The Board may amend the budget through supplemental budgets, appropriation transfers, or other procedures authorized by state law. Budgetary control is maintained at the major expenditure category level (personal services, materials and services, capital outlay, debt service, and other expenditures) within each fund. Appropriations lapse at fiscal year-end.

Note 3: Deposits and investments

At June 30, 2024, the District's cash and investments were comprised of the following:

Deposits with financial institutions	$	114,210
Investments with the Jefferson County Investment pool		2,205,645
Net cash	$	2,319,855

Custodial credit risk – deposits: Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be recovered. The District does not have a formal policy addressing custodial credit risk for deposits.

At June 30, 2024, the District had carrying amounts of cash deposits of $44,686 and bank balances of $229,196, all held at Columbia Bank. Deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per account holder. Deposits in excess of FDIC insurance are collateralized in accordance with Oregon Revised Statutes Chapter 295 and the Public Funds Collateralization Program, which requires qualified depositories to pledge collateral for public deposits exceeding federal insurance coverage. At June 30, 2024, the District's balances did not exceed FDIC limits.

Investments: The District participates in the Jefferson County Treasurer's investment pool, which is an external investment pool established and administered in accordance with Oregon Revised Statutes. The pool is not registered with the Securities and Exchange Commission as an investment company. Investments in the pool are stated at fair value, which approximates the District's proportionate share of the pool's underlying portfolio.

The District's investment in the pool is reported as cash and investments in the accompanying financial statements. The fair value of the District's position in the pool is the same as the value of the pool shares. The pool invests in accordance with Oregon statutes and the County's investment policy, which establish permitted investments and maturity limitations.

The District's only investment is its participation in the Jefferson County Treasurer's investment pool. The pool is administered in accordance with Oregon statutes and the County's investment policy. Because the District does not own individual investment securities, it does not have direct exposure to custodial credit risk or concentration of credit risk. Interest rate risk and credit risk are managed by the County through compliance with applicable Oregon statutes and investment policy provisions.

Note 4: Accounts receivable

Accounts receivable consists primarily of amounts due from grantors and other miscellaneous revenues. Management has established an allowance for uncollectible accounts of $5,000. As of June 30, 2024, accounts receivable does not include amounts related to emergency medical services. Following the merger with Jefferson County Emergency Services District, the District was unable to bill insurance providers due to delays in obtaining the necessary provider credentials and certain amounts were not recorded because sufficient information was not available to determine the amounts due to the District with reasonable accuracy.

Note 5: Capital assets and right-to-use assets

Capital assets are recorded at historical cost or estimated historical cost if historical cost is not available. Donated capital assets are recorded at acquisition value at the date received. Capital assets are depreciated using the straight-line method over their estimated useful lives.

Right-to-use lease assets represent the District's right to control the use of underlying leased assets over the lease term. These assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Capital asset activity for the District for the year ended June 30, 2024, was as follows:

	As restated June 30, 2023	Additions	Disposals	June 30, 2024
Governmental Activities				
Capital assets not being depreciated				
Construction in progress	$ 105,542	$ 835,613	$ -	$ 941,155
Land	32,914	-	-	32,914
Total capital assets not being depreciated	138,456	835,613	-	974,069
Capital assets being depreciated				
Buildings and improvements	1,208,291	-	-	1,208,291
Land improvements	326,559	-	-	326,559
Vehicles and equipment	3,424,632	572,208	(187,585)	3,809,255
Right of use asset, building lease	-	70,872	-	70,872
Right of use asset, equipment lease	-	7,248	-	7,248
Total capital assets being depreciated	4,959,482	650,328	(187,585)	5,422,225
Less accumulated depreciation and amortization for:				
Buildings and improvements	(923,596)	(34,066)	-	(957,662)
Land improvements	(192,886)	(21,771)	-	(214,657)
Vehicles and equipment	(2,590,268)	(174,311)	103,615	(2,660,964)
Right of use asset, building lease	-	(17,497)	-	(17,497)
Right of use asset, equipment lease	-	(1,254)	-	(1,254)
Total accumulated amortization and depreciation	(3,706,750)	(248,899)	103,615	(3,852,034)
Total capital assets being depreciated, net	1,252,732	401,429	(83,970)	1,570,191
Total capital assets, net, governmental activities	$ 1,391,188	$ 1,237,042	$ (83,970)	$ 2,544,260

Depreciation and amortization expense is included in the public safety function in the statement of net activities.

Note 6: Tax anticipation note payable

During the year, the District issued a tax anticipation note to provide working capital pending the receipt of property tax revenues. The note is payable from future property tax collections and bears interest at 6.00%. The note matures on November 29, 2024, and is secured by the District's anticipated tax revenues.

The following is a summary of changes in the tax anticipation note payable during the year:

	June 30, 2023	Additions	Payments	June 30, 2024
Tax anticipation note payable	$ -	$ 1,100,000	$ -	$ 1,100,000

Note 7: Leases

The District leases property and equipment under noncancelable lease agreements that meet the definition of a lease under GASB Statement No. 87, Leases. The leases provide the District with the right to use the underlying assets over the respective lease terms.

At lease commencement, the District records a lease liability and a corresponding right-to-use lease asset. Lease liabilities are measured at the present value of future lease payments expected to be made during the lease term.

As of June 30, 2024, the District's lease liabilities totaled $60,160. The leases carry discount rates from 0.84% to 1.98%. Lease payments are funded from the District's operating revenues.

Future debt service requirements to maturity for lease liabilities are as follows:

Fiscal Year Ending June 30,	Building	Equipment	Total
2025	$ 17,367	$ 1,394	$ 18,761
2026	18,048	1,422	19,470
2027	18,751	1,450	20,201
2028	-	1,479	1,479
2029	-	249	249
Total	$ 54,166	$ 5,994	$ 60,160

Note 8: Pension Plan

Plan description: The District contributes to PERS which is a cost sharing, multiple employer defined benefit pension plan (Plan) for units of state government, political subdivisions, community colleges and school districts, containing multiple actuarial pools. Plan assets may be used to pay the benefits of the employees of any employer that provides pensions through the Plan. Participation by school districts is mandatory. As of the measurement date of June 30, 2023, there were 945 participating employers and State Agencies.

PERS issues an independently audited Annual Comprehensive Financial Report, which is publicly available on their website at:
https://www.oregon.gov/pers/Documents/Financials/ACFR/2023-ACFR.pdf

PERS is administered in accordance with ORS Chapter 238, Chapter 238A, and Internal Revenue Code Section 401(a). The Oregon Legislature has delegated authority to the Public Employees Retirement Board (Board) to administer and manage the System. All members of the Board are appointed by the Governor and confirmed by the State Senate. The Governor designates the chairperson. One member must be a public employer manager or a local elected official, one member must be a union-represented public employee or retiree and three members must have experience in business management, pension management, or investing.

Plan membership and benefit terms – PERS Pension (Chapter 238 - Tier I/Tier II): The 1995 Legislature enacted Chapter 654, Section 3, Oregon Laws 1995, which has been codified into ORS 238.435. This legislation created a second tier of benefits for those who established membership on or after January 1, 1996. The most notable change being that, unlike Tier I members, Tier II members do not have guaranteed markets returns. The ORS Chapter 238 Defined Benefit Plan (Tier I and Tier II) is closed to new members hired on or after August 29, 2003.

The PERS defined benefit retirement allowance is payable monthly for life. PERS uses three methods to calculate Tier I retirement benefits: full formula, formula plus annuity (for members who made contributions prior to August 21, 1981), and money match. Only the full formula and money match methods are available to Tier II members. PERS uses the method for which the member is eligible that produces the highest benefit amount. The full formula method for Tier I and Tier II members is 1.67 percent, multiplied by the final average salary, multiplied by the years of service of the member, which results in the annual benefit.

The District employs both general service and police and fire members for service earned during employment with the District. Normal retirement age for police and fire members is age 55 or age 53 with 25 years of service for OPSRP members. For general service members, normal retirement age is 58 for Tier I members and 60 for Tier II members. Alternatively, Tier I and Tier II general service members may retire upon completing 30 years of service. Members become vested once they have been an active member in each of five calendar years.

Members may choose to continue participation in the Variable Account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living adjustments (COLAs). The COLA is capped at 2.0 percent.

Contribution requirement: PERS employers are required to make contributions to the Plan at an actuarially determined rate, as adopted by the PERS Board. The employer contribution is set and may be amended by the Retirement Board. The rate for Tier I and Tier II for the year ended June 30, 2024 was 27.87 percent of covered payroll. The rate for OPSRP for the year ended June 30, 2024 was 25.03 percent of covered payroll.

The District's statutorily required contributions to PERS for the year ended June 30, 2024 were $416,724. In addition, the District paid $92,785 of employee required contributions pursuant to employment agreements.

Actuarial methods and assumptions: actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years.

The methods and assumptions shown below are based on the 2020 Experience Study, which reviewed experience for the four-year period ended on December 31, 2020.

Actuarial valuation date	December 31, 2021
Measurement date	June 30, 2023
Experience study	2020, published July 20, 2021
Actuarial cost method	Entry age normal
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Cost-of-living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision; blend based on service.
Mortality	*Healthy retirees and beneficiaries:* Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. *Active members:* Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. *Disabled retirees:* Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Discount rate: the discount rate used to measure the total pension liability of the Plan was 6.90 percent, with no change in the rate since the prior measurement date. 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 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 Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term expected rate of return: To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the OIC's investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

The Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means are displayed in the table below:

Long-Term Expected Rate of Return [1]

Asset Class	Target Allocation	Annual Arithmetic Return [2]	20-Year Annualized Geometric Mean	Annual Standard Deviation
Global Equity	27.50 %	8.57 %	7.07 %	17.99 %
Private Equity	25.50	12.89	8.83	30.00
Core Fixed Income	25.00	4.59	4.50	4.22
Real Estate	12.25	6.90	5.83	15.13
Master Limited Partnerships	0.75	9.41	6.02	27.04
Infrastructure	1.50	7.88	6.51	17.11
Hedge Fund of Funds - Multistrategy	1.25	6.81	6.27	9.04
Hedge Fund Equity - Hedge	0.63	7.39	6.48	12.04
Hedge Fund - Macro	5.62	5.44	4.83	7.49
Assumed Inflation - Mean			2.35 %	1.41 %

[1] Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, including revisions adopted at the OIC meeting on January 25, 2023.
[2] The arithmetic mean is a component that goes into calculating the geometric mean. Expected rates of return are presented using the geometric mean, which the Board uses in setting the discount rate.

Depletion date projection: GASB 68 generally requires that a blended discount rate be used to measure the total pension liability (the actuarial accrued liability calculated using the individual entry age normal cost method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's fiduciary net position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the fiduciary net position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

	1% Decrease 5.90%	Current Discount Rate 6.90%	1% Increase 7.90%
District's proportionate share of the net pension liability (asset)	$ 4,260,264	$ 2,579,146	$ 1,172,229

Deferred inflows of resources and deferred outflows of resources: Deferred inflows of resources and deferred outflows of resources are calculated at the Plan level and are allocated to employers based on their proportionate share. For the measurement period ended June 30, 2023, the District is reporting the following deferred inflows of resources and deferred outflows of resources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ 126,128	10,227
Changes of assumptions	229,116	1,708
Net difference between projected and actual earnings		-
on investments	46,358	-
Changes in proportion	394,557	12,581
and proportionate share of contributions	-	422,947
Total (prior to post-MD contributions)	796,159	447,463
Contributions subsequent to the MD	27,947	-
Total (prior to post-MD contributions)	$ 824,106	$ 447,463

Differences between expected and actual experience, changes in assumptions, and changes in employer proportion are amortized over the average remaining service lives of all plan participants, including retirees, determined as of the beginning of the respective measurement period. Amounts reported as deferred outflows or inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending June 30,		
2025	$	46,613
2026		(60,684)
2027		270,637
2028		88,629
2029		3,500
Total	$	348,695

The net difference between projected and actual investment earnings attributable to each measurement period is amortized over a closed five-year period.

Amounts reported as net pension related deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

Note 9: Other post-employment benefit plans

Plan description: The District contributes to the Oregon Public Employees Retirement System (PERS), a cost sharing multiple employer defined benefit pension plan. PERS administers the Retirement Health Insurance Account (RHIA), a cost sharing multiple employer defined benefit OPEB plan for units of state government, political subdivisions, community colleges and school districts, containing multiple actuarial pools. RHIA plan assets may be used to pay for the benefits of the employees of any employer that provides OPEB through the Plan. Contributions are mandatory for each employer that is a member of PERS. As of June 30, 2023, there were 812 participating employers.

PERS issues an independently audited Annual Comprehensive Financial Report, which is publicly available on their website at:
https://www.oregon.gov/pers/Documents/Financials/ACFR/2023-ACFR.pdf

RHIA was established by ORS 238.420 and authorizes a payment of up to $60 from RHIA toward the monthly costs of health insurance. The plan was closed to new entrants hired on or after August 29, 2003. To be eligible to receive this monthly payment toward the healthcare premium cost the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan.

Contributions: PERS sets required contribution rates biannually for members. The RHIA portion of this required contribution was 0.00 percent during the 2023-2025 biennium. The District's total contribution to the RHIA plan for the year ended June 30, 2024 was $185, which was the statutorily required contribution amount. For information related to previous year's contributions, see the Schedule of Contributions – OPEB Retiree Health Insurance Account, located under Required Supplementary Information.

Net OPEB asset and income: The net OPEB asset was actuarially determined in accordance with GASB 75, using a measurement date of June 30, 2023, and an actuarial valuation date of December 31, 2021. The District's proportionate share is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers.

At June 30, 2024, the District reported a net OPEB asset of $2,155 for its proportionate share of the net OPEB asset. For the year ended June 30, 2024, the District recognized OPEB expense of $5,941. At the measurement date the District's proportionate share of the collective net OPEB asset was 0.0041 percent, an increase from its proportionate share of 0.0006 percent at the previous measurement date.

Actuarial methods and assumptions: Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown below are based on the 2020 Experience Study, which reviewed experience for the four-year period ended on December 31, 2020.

Actuarial valuation date	December 31, 2021
Measurement date	June 30, 2023
Experience study	2020, published July 20, 2021
Actuarial cost method	Entry age normal
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Retiree healthcare participation	Healthy retirees: 27.5% Disabled retirees: 15.0%
Healthcare cost trend rate	Not applicable
Mortality	*Healthy retirees and beneficiaries:* Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. *Active members:* Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. *Disabled retirees:*

	Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Discount rate
The discount rate used to measure the net OPEB Asset at June 30, 2023 was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA 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 OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

Long-term expected rate of return
To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Councils "OIC's" investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, see Note 8 – Pension Plan.

Depletion date projection
GASB 75 generally requires that a blended rate be used to measure the total OPEB liability (the actuarial accrued liability calculated using the individual entry age normal cost method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's fiduciary net position (fair value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the fiduciary net position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 75 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 75 (paragraph 82) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for the OPEB Plan:

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100 percent funded position by the end of the amortization period if future experience follows assumption.
- GASB 75 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections

would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is PERS' independent actuary's opinion that the detailed depletion date projections outlined in GASB 75 would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses.

Sensitivity of the district's proportionate share of the net OPEB liability/asset to changes in the discount rate

The following presents the District's proportionate share of the net OPEB Liability/Asset calculated using the discount rate of 6.90 percent, as well as what the District's proportionate share of the net OPEB Liability/Asset would be if it were calculated using a discount rate that is one percentage point lower (5.90 percent) or one 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 (asset)	$ (1,959)	$ (2,155)	$ (2,324)

Deferred inflows of resources and deferred outflows of resources: Deferred inflows of resources and deferred outflows of resources are calculated at the Plan level and are allocated to employers based on their proportionate share. For the measurement period ended June 30, 2024, the District is reporting the following deferred inflows of resources and deferred outflows of resources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	-	54
Changes of assumptions	-	23
Net difference between projected and actual earnings on investments	6	-
Changes in proportion	6,111	33
Total (prior to post-MD contributions)	6,117	110
Contributions subsequent to the MD	13	-
Total (prior to post-MD contributions)	6,130	110

Amounts reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of, or addition to, the net OPEB Liability/Asset in the year ended June 30, 2025. Differences between expected and actual experience, changes in assumptions and changes in employer proportion, are amortized over the average remaining service lives of all plan participants, including retirees, determined as of the beginning of the respective measurement period.

The average remaining service lives determined as of the beginning of each measurement period are described below:

- Fiscal Year ended June 30, 2024 – 2.3 years
- Fiscal Year ended June 30, 2023 – 2.3 years
- Fiscal Year ended June 30, 2022 – 2.5 years
- Fiscal Year ended June 30, 2021 – 2.7 years

OPEB expense/(income) will be recognized in OPEB expense/(income) as follows:

Year Ending June 30,		
2025	$	4,570
2026		1,329
2027		80
2028		29
	$	6,008

Note 10: 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; injuries to employees; and natural disasters. The District carries commercial insurance for risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. Insurance coverage has not changed significantly from prior years.

Note 11: Commitments

During 2024, the District entered into several contracts for construction and expansion of its facilities of approximately $8.2 million. As of June 30, 2024, approximately $7.3 million remained committed to signed construction contracts.

Note 12: Tax abatements

Property taxes levied by the District are subject to reduction under the Rural Renewable Energy Development Zone (ORS 285C.362). The purpose of the program is to encourage investment in renewable energy facilities and related economic development activities within designated rural areas of Oregon. Under the program, qualified businesses that construct or install eligible renewable energy facilities may receive property tax exemptions on qualified new property for a specified period, provided applicable program requirements are met. The exemption is administered through local governments in conjunction with Business Oregon.

For the fiscal year ended June 30, 2024, the District's property tax revenues were reduced by approximately $11,000 as a result of property tax abatements granted under the Rural Renewable Energy Development Zone program. The District did not make any commitments as part of the agreements other than to administer the program in accordance with Oregon law.

Note 13: Restatements to beginning fund balance and net position

Effective July 1, 2023, the District completed its merger with Jefferson County EMS. While certain assets had been transferred to the District in the prior year to support operations, the finalization of the merger resulted in the District’s assumption of the former EMS district’s Oregon Public Employees Retirement System (PERS) and other postemployment benefit (OPEB) related balances.

The balances assumed included the former organization’s proportionate share of the PERS net pension liability, related deferred outflows of resources, deferred inflows of resources, and pension-related deferrals. The District also assumed OPEB-related assets, liabilities, deferred outflows of resources, and deferred inflows of resources associated with plans administered through Oregon PERS and other applicable postemployment benefit arrangements.

The pension and OPEB-related balances assumed in the merger were measured using the same actuarial valuations, allocation methodologies, and reporting requirements applicable to the respective plans. The balances were recorded at their carrying values as of the merger date and are reflected as an adjustment to beginning net position.

The District also identified errors in prior year cash balances, lease income receivable, accounts payable, and property, plant, and equipment. The District determined that adjustments to beginning fund balance and net position were appropriate. The adjustments are summarized as follows:

	General Fund	Net Position
Fund balance and net position, as previously reported	$ 3,117,728	$ 3,849,593
Government combination transaction		
Acquisition of EMS District's PERS pension obligation, inflows and outflows	-	(1,147,604)
Error correction		
Prior year misstatement of cash balances	214,762	214,762
Lease income receivable	17,500	17,500
Correction of accounts payable	5,675	5,675
Prior year misstatement of property, plant, and equipment	-	(40,760)
Fund balance and net position, as restated	$ 3,355,665	$ 2,899,166

Note 14: Deficit fund balance

As of June 30, 2024, the General Fund reported a deficit fund balance of $313,478. The deficit resulted primarily from emergency medical service expenditures exceeding revenues due to difficulties in establishing new provider credentials required by Medicare, Medicaid and other insurance companies following the consolidation of the fire and EMS districts, resulting in an approximate 14-month gap in its ability to collect payments related to emergency medical services provided. Management is aware of the deficit and has implemented, or plans to implement, measures to improve operating results and restore the General Fund to a positive fund balance position in future periods.

Note 15: Over-expenditure of appropriation

The District over-expended its appropriation for capital outlay in the general fund by $1.26 million during the year ended June 30, 2024.

Note 16: Subsequent events

In May 2024, voters in Jefferson County approved a $14.5 million bond measure intended to fund fire station improvements, facility expansion, and equipment replacement. Series 2024 General Obligation Bonds, in the amount of $7.0 million, were closed on September 12, 2024.

<u>REQUIRED SUPPLEMENTARY INFORMATION</u>

JEFFERSON COUNTY FIRE AND EMS DISTRICT
Jefferson County, Oregon

Schedule of Revenues, Expenditures and Changes In Fund Balance Budget And Actual
General Fund
Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Property taxes	$ 1,130,584	$ 1,130,584	$ 1,195,728	$ 65,144
Grant revenue	1,191,652	1,541,652	630,427	(911,225)
Charges for services	-	-	305,107	305,107
Interest	-	-	31,199	31,199
Miscellaneous	269,000	269,000	76,844	(192,156)
Total revenues	2,591,236	2,941,236	2,239,305	(701,931)
EXPENDITURES				
Personal services	4,176,056	4,526,056	3,311,869	(1,214,187)
Materials and services	1,185,899	1,185,899	986,321	(199,578)
Capital outlay	149,508	149,508	1,407,821	1,258,313
Debt service	44,000	44,000	-	(44,000)
Total expenditures	5,555,463	5,905,463	5,706,011	(199,452)
Change in fund balance	(2,964,227)	(2,964,227)	(3,466,706)	(502,479)
Fund balance - July 1, 2023	3,079,845	3,079,845	3,355,665	275,820
Fund balance - June 30, 2024	$ 115,618	$ 115,618	$ (111,041)	$ (226,659)

JEFFERSON COUNTY FIRE AND EMS DISTRICT
Jefferson County, Oregon

Schedule of the District's Proportionate Share of the Net Pension Liability
State of Oregon Public Employees Retirement System (PERS) - Last 10 Fiscal Years

Year Ended June 30,	Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the NPL	(c) CAL's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	0.01376963 %	$ 2,579,146	$ 3,678,658	70.11%	81.7%
2023	0.01207558 %	1,274,244	409,913	310.86%	84.5%
2022	0.00375372 %	574,770	414,494	138.67%	87.6%
2021	0.00359110 %	429,728	429,929	99.95%	75.8%
2020	0.00344288 %	751,355	436,035	172.32%	80.2%
2019	0.00439664 %	760,513	417,101	182.33%	82.1%
2018	0.00449205 %	680,486	412,829	164.83%	83.1%
2017	0.00492050 %	552,331	430,519	128.29%	80.5%
2016	0.00437078 %	656,156	399,997	164.04%	91.9%
2015	0.00446510 %	256,362	342,742	74.80%	103.60%

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date. Amounts prior to July 1, 2024 include only contributions made by the Jefferson County Fire District prior to the merger with Jefferson County EMS District.

JEFFERSON COUNTY FIRE AND EMS DISTRICT
Jefferson County, Oregon

SCHEDULE OF DISTRICT CONTRIBUTIONS – PENSION PLAN

State of Oregon Public Employees Retirement System (PERS) - Last 10 Fiscal Years

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2024	$ 509,509	$ 416,724	$	$ 3,678,658	11.33%
2023	15,828	15,828		409,913	3.86%
2022	50,595	50,595		414,494	12.21%
2021	74,346	74,346		429,929	17.29%
2020	69,969	69,969		436,035	16.05%
2019	58,858	58,858		417,101	14.11%
2018	54,770	54,770		412,829	13.27%
2017	54,614	54,614		430,519	12.69%
2016	43,334	43,334		399,997	10.83%
2015	41,224	41,224		342,742	12.03%

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date. Amounts prior to July 1, 2024 include only contributions made by the Jefferson County Fire District prior to the merger with Jefferson County EMS District.

OTHER INFORMATION

JEFFERSON COUNTY FIRE AND EMS DISTRICT
Jefferson County, Oregon

Schedule of Revenues, Expenditures and Changes In Fund Balance Budget And Actual
Capital Project Fund
Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Grant revenue	$ -	$ 500,000	$ 290,840	$ (209,160)
Total revenues	-	500,000	290,840	(209,160)
EXPENDITURES				
Capital outlay	-	500,000	290,840	(209,160)
Total expenditures	-	500,000	290,840	(209,160)
Change in fund balance	-	-	-	-
Fund balance - July 1, 2023	-	-	-	-
Fund balance - June 30, 2024	$ -	$ -	$ -	$ -

AUDIT COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS

INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS

Board of Directors and Management
Jefferson County Fire and EMS District

We have audited the basic financial statements of Jefferson County Fire and EMS District (the District) as of and for the year ended June 30, 2024, and have issued our report thereon dated August 13, 2026. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, 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 Secretary of State Audits Division Chapter 162, 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 included, but were not limited to the following:

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

During our testing of compliance with Oregon Local Budget Law, we identified an over-expenditure of appropriation in capital outlay in the general fund of $1.26 million. Additionally, the District did not provide adequate notice to the public of its supplemental budget process.

In connection with our testing, except for the local budget law noncompliance described above, 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.

OAR 162-010-0230 Internal Control

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions 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. We reported material weaknesses in internal control over financial reporting in our letter to the governing body dated August 13, 2026.

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

Brenda Bartlett

Sensiba, LLP
August 13, 2026