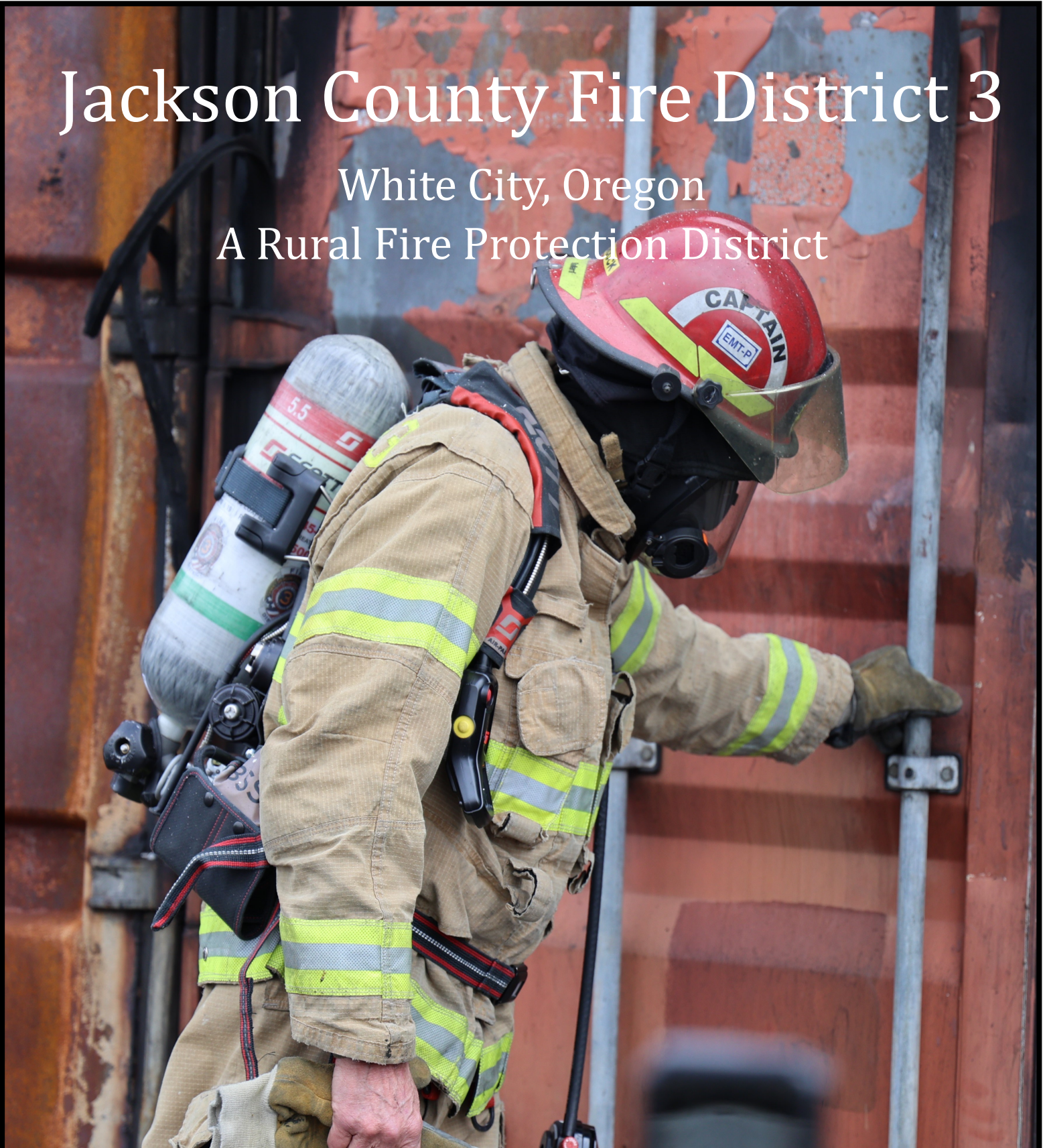


# Jackson County Fire District 3

White City, Oregon  
A Rural Fire Protection District



Annual Comprehensive Financial Report  
for the year ended June 30, 2023



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# Jackson County Fire District 3

A Rural Fire Protection District, Oregon

## Annual Comprehensive Financial Report

for the Fiscal Year Ended June 30, 2023



**Proudly Serving Beautiful Southern Oregon**

**In the communities of:**

**Agate Lake**

**Central Point**

**Dodge Bridge**

**Eagle Point**

**Gold Hill**

**Sams Valley**

**White City**

Report Prepared by the Finance Department

8383 Agate Road  
White City, Oregon 97503  
(541) 826-7100 Phone

[www.jcfd3.com](http://www.jcfd3.com)



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# Introductory Section





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# Jackson County Fire District 3

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December 21, 2023

## **Board President Harvey Tonn and Members of the Board of Directors of Jackson County Fire District 3**

We are pleased to submit the Annual Comprehensive Financial Report of Jackson County Fire District 3 (District) for the fiscal year ended June 30, 2023.

This report has been prepared in accordance with generally accepted accounting principles and follows guidelines recommended by Government Finance Officers Association of the United States and Canada. The annual audit is prepared to meet legal requirements in accordance with ORS 297.405 to 297.555. Richard W. Brewster, CPA has audited the attached financial statements. The responsibility for the completeness, fairness, and accuracy of the data presented and all accompanying disclosures rests with the District. The auditors test transactions, verify the system, and assure accuracy. The independent auditor's report is presented as the first component of the financial section of this report.

This report is published to provide the District Board of Directors, our patrons, District Staff, and other readers with detailed information regarding the financial position and activities of the District. To the best of our knowledge and belief, the enclosed report is accurate in all material respects and is organized in a manner designed to present fairly the financial position and results of operations as measured by the financial activity of the District's funds.

To provide a reasonable basis for making these representations, the District's management has established internal controls designed to compile sufficient reliable information and protect its assets from loss, theft, or misuse. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the valuation of costs and benefits requires estimates and judgments by management. We believe the internal accounting controls meet the material standards for audit and provide reasonable assurance that financial transactions are properly reported.

The Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditor's Report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it. The financial statements are presented in a single program format, in which the fund financial and government-wide statements are combined together and include a reconciling column.

### ***The Reporting Entity and Its Services***

Jackson County Fire District 3 is a special district operating under Oregon Revised Statutes (ORS) Chapter 478 as a separate municipal corporation. A Board of Directors, consisting of five elected members, manages the District. The Board hires a Fire Chief to manage the daily operations. The governing Board appoints members of the community to serve on the Budget Committee (five appointments) and the Civil Service Commission (three appointments).

## Letter of Transmittal

---

The District was established in 1952 as the Central Point Rural Fire Protection District and in 1975 officially changed to its current name, Jackson County Fire District 3, which better described the growing area being protected. The “3” signifies the third rural fire protection district established under ORS 478 in Jackson County. Eight additional fire protection districts also operate in Jackson County, all located in Southern Oregon.

The District provides a full range of fire protection and emergency medical response services to its approximately 52,000 citizens across 167 square miles. The District is committed to creating safer communities through education, prevention, preparedness, and emergency response.

The District encompasses an area of densely populated suburbs, rural farmlands, retail and commercial establishments, and growing and sophisticated industrial complexes. In addition, the geography is diverse with the national acclaimed Rogue River, low brush and grasslands, heavy, dense timber, rugged mountains, and two plateaus. To meet the demands of the diverse service area, the District performs specialized rescues such as river, high angle and confined space, in addition to wildland firefighting, structural suppression, and emergency medical response.

As a result of the high quality of services provided, the District maintains an insurance classification rating set forth by the Insurance Services Office, Inc. (ISO) of a Class 3 in a one to ten rating system, with Class 1 being the best. For all property owners in the District within five miles of a fire station, this Class 3 classification results in lower premium rates for fire insurance.

The District operates eight fire stations, four of which are staffed with paid personnel and four with volunteer personnel. Fire stations are strategically placed throughout the District to protect property and the citizens the District serves. The District utilizes defined response time standards, projected population densities, and urban growth, as well as actual and planned traffic conditions to determine the best station sites to optimize response times.

Over the years, the District has expanded its service area through the annexations of three cities; Gold Hill in 1995, Central Point in 2001, and Eagle Point in 2002. Fire stations are located within each of the city’s boundaries. The District’s administrative offices are adjacent to the White City fire station, located in an unincorporated industrial area of the County known as White City. A regional training facility is also at this location, which includes an educational classroom, training tower, burning simulation props, drafting pit, fire simulation training house, and warehouse.

The District maintains a fleet of 27 emergency response vehicles consisting of fire engines, ambulances, water tenders, wildland brush engines, a ladder truck, and 22 command staff/support vehicles. In addition, the District has a wide range of equipment for specialized rescues. To perform and maintain these services the District employs 77 full-time personnel and has on average 20 volunteers and student firefighters combined. The District’s operations staff is dedicated to meeting all state mandates regarding fire investigations, commercial and retail occupancy inspections, and educating District citizens.

The District’s funding is based upon a permanent tax rate of \$3.1194 per \$1,000 of assessed valuation, established by Ballot Measure 50 and passed by Oregon voters’ in 1997. In addition to permanent tax rates, Ballot Measure 50 also limits assessed valuation growth and the amount property taxes can increase to three percent per year. The difference between mandated growth and actual growth is due to new construction and significant improvements to existing property, plant, and equipment. The District receives 98 percent of its revenue through the form of property tax.

## Letter of Transmittal

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The District has not had to rely on any general obligation bonds or local option levies for operational support. The District has been and continues to be focused on providing its citizens with the highest level of emergency services and the District continues to implement operational improvements to accomplish its strategic goals and objectives. Capital funding for fiscal year end June 30, 2023 was provided through a transfer from the General Fund to help support the purchase of new apparatus and equipment in accordance with the Capital Replacement Schedule.

### ***Economic Condition and Outlook***

The District's assessed valuation increased from \$5.4 billion in the 2022/23 fiscal year to \$5.7 billion for the 2023/24 fiscal year, a 4.71 percent increase. Economic growth projections for the District continue to remain strong. Assessed valuation of existing property is limited to three percent increases per year. Growth in the District is largely expected to come from these legally allowable increases in property and continued new development in residential and commercial construction. The District monitors property tax valuation matters closely and works with regional officials like the County Assessor and Southern Oregon Economic Development to monitor trends and forecasts. The District will continue however to develop budgets on modest revenue growth while maintaining modest expenditure increases.

Jackson County has a rich history and has grown and diversified considerably over the decades to be considered one of the most diversified economies in Oregon. Strong retail trade, health care, and tourism sectors have formed a regional hub, attracting customers and visitors from neighboring counties and beyond. Once heavily dependent on the wood products industry, it is now supplemented by the wine industry and specialty agriculture products.

Oregon's minimum wage for urban counties is \$14.20 per hour for 2023 and is adjusted annually by the increase in the U.S. Consumer Price Index and by county based on geographical area (metropolitan, urban, and rural areas). Jackson County is considered urban. Average hourly wage however in Jackson County is \$27.02 per hour, compared to a statewide average of \$31.17.

Jackson County's per capita personal income only grew by 1.1 percent in 2022 to \$57,252, up from \$56,928 largely in part to wages not keeping up with escalating inflation. In comparison the per capita personal income for the State of Oregon in 2022 was \$62,303. Jackson County ranks eighth in per capita income out of the 36 counties in Oregon. Professional health care services are the highest employment segment in Jackson County followed by retail trade. Oregon's industry projections show that the leisure and hospitality segment is projected to increase the fastest, driven by the recovery of the pandemic as restaurants, hotels, arts, cultural and recreational establishments have seen increased demand as in-person and recreational activities resume.

The District serves as the home to many prominent and internationally recognized businesses such as CareStream Health Imaging, Allura, Linde, Amy's Kitchen, Costco, Erikson Air Crane, and Highway Products. Also located within the District is a satellite campus for Rogue Community College in which the District works closely with by providing use of its training grounds for the fire science program. Jackson County offers renowned healthcare facilities, a university, diverse recreational opportunities, and cultural excellence with the home of Oregon Shakespeare and Britt Festivals.

Jackson County's unemployment rate for October 2023 was 4.1 percent compared to the average annual unemployment rate in 2022 of 5.2 percent. For comparison, the State of Oregon's unemployment rate in October 2023 was 3.6 percent. The struggle for companies to hire qualified workers and the retention of those workers continues to be a concern.

Jackson County's population decreased by one percent in 2022 compared to .32 percent growth for the prior year. In comparison the State of Oregon's population decreased by 0.38 percent. Census figures reflected that for the first time in decades Oregon's population shrank in 2022 and ranked sixth in the U.S. among the fastest shrinking states. Contributors have been found to be housing costs, taxes, and social issues. Also, a more remote workforce post pandemic has provided more opportunities for relocation.

## **Letter of Transmittal**

---

It is anticipated that the District's population will continue to moderately increase over the next 10 years. In 2022 Jackson County's population was 221,644 with the District encompassing 57,463 of those citizens. Staff will continue to work proactively with other governments and regional planning groups to ensure the ability to serve this future population. This includes participating in neighborhood and street planning, emergency access and road construction planning processes, as well as evaluating and working across jurisdictional boundaries to ensure closest force response to population centers regardless of where city boundaries fall.

### ***Major initiatives and Long-Term Planning***

This budget is a policy document and operational plan for the District. The District has adopted financial policies to ensure financial stability. Budget development is built around conservative revenues and expenditures that balance accordingly. In addition, the District has a policy that nonrecurring or one-time resource inflows not be used for operating purposes. This pertains specifically to grant proceeds the District is a recipient of. Budgetary control is within the object classifications in each department and fund.

The District is committed in providing at least four months of ending fund balance to cover operational expenditures from July through October when property tax revenue is minimal, thus eliminating the need for short-term borrowing. This amount is well within the policy guidelines (24 percent of budgeted property tax revenue) set forth by the Board of Directors and Staff for budgetary and financial planning purposes. The County Treasurer starts distributing current year property taxes the beginning of each November.

The District also has a contingency policy that requires the Board of Directors to approve any request for use of contingency and follow state budget laws to appropriate. Two supplemental budgets were made during the 2022/23 fiscal year.

The District is committed to maintaining a ten-year financial forecast, which estimates ending fund balance surpluses and shortfalls, and a ten-year capital equipment replacement plan that identifies vehicle and apparatus replacement, equipment purchases, facility improvements, and new development. The plan reflects the year the targeted capital purchase are to be made, the revenue sources budgeted for the fund, and the estimated ending fund balances. For the 2023/24 fiscal year, \$1,289,000 is budgeted for capital expenditures and includes apparatus and vehicles, fire suppression equipment, and infrastructure improvements.

### ***Department Service Efforts and Accomplishments***

During the fiscal year ended June 30, 2023, all departments of the District contributed toward the accomplishments of the Strategic Plan. The District's Board of Directors adopted a three-year Strategic Plan in February of 2021. Staff and the Board worked with various stakeholders and community members in reviewing the strategic priorities and developing goals and outcomes. The long-term strategic priorities link to annual goals and objectives which drive the funding priorities for the development of the annual budget and are measured quarterly on progress. Staff provides periodic updates to the Board and annually conducts a self-assessment of the plan, updating or modifying if needed.

The following six strategic initiatives are identified in the 2021-2023 Strategic Plan:

1. Minimize the direct and indirect impacts associated with fire, EMS, and rescue emergencies.
2. Ensure sustainability of service delivery by efficient use of our people, facilities, fleet, and finances.
3. Develop, promote, and demonstrate professionalism and excellence throughout the organization.
4. Maintain a high level of trust by promoting District engagement in the communities we serve.
5. Develop and strengthen collaborative efforts and strategic partnerships.
6. Commit to excellence through innovation.



## Letter of Transmittal

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Significant accomplishments made during the fiscal year ended June 30, 2023 was the continued development of programs and services that address community care, risk reduction, and fire safety; implementing new technology solutions for response data analysis and reporting; and hiring and onboarding new firefighters and team members into the organization. In addition, the District continued with developing and strengthening strategic partnerships to improve overall services to patrons served.

### ***Other Information***

#### Independent Audit

Oregon Revised Statutes 297.405 to 297.555 requires an annual audit of the fiscal affairs of the District by an independent public accountant selected by the Board of Directors. An audit has been completed and the auditor's opinion is included in this report.

#### Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Jackson County Fire District 3 for its annual comprehensive financial report for the fiscal year ended June 30, 2022. This was the 17th consecutive year the District has received this prestigious award. In order to be awarded a Certificate of Achievement, the District must publish an easily readable and efficiently organized financial report that satisfies both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The District believes that its current comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and is submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the District also received the GFOA's Distinguished Budget Presentation Award for its annual appropriated budget for the fiscal year beginning July 1, 2022 and is awaiting notification of the budget award for the fiscal year beginning July 1, 2023. In order to qualify for the Distinguished Budget Presentation Award, the District's budget document was judged to be proficient as a policy document, a financial plan, an operations guide, and a communications device. This was the 19th consecutive year the District received this award.

#### Acknowledgements

We express sincere gratitude and appreciation to the Board of Directors, Budget Committee members, employees, and citizens of the District whose continuing support is vital to the financial, operational stability, and success of the District.

Respectfully submitted,

*Stacy J Maxwell*

Stacy J. Maxwell  
Chief Financial Officer  
Jackson County Fire District 3



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Jackson County Fire District 3  
Oregon**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

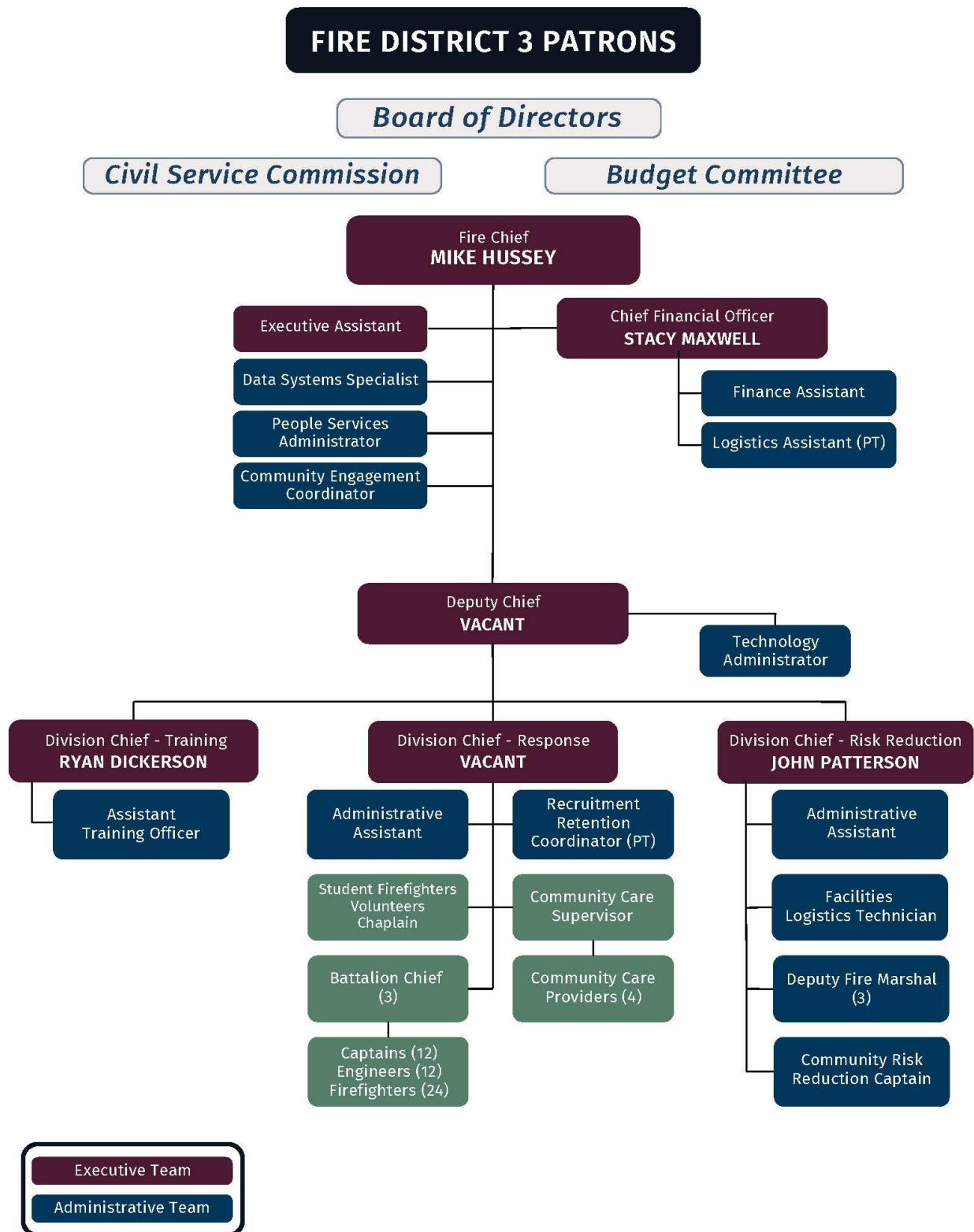
*Christopher P. Merrill*

Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement to Jackson County Fire District 3, a rural fire protection district, for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022.

This was the 18<sup>th</sup> consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the District must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

## Organizational Chart



## **Board of Directors at June 30, 2023**



**Harvey Tonn**  
President  
**Position 1**  
Term Expires  
06/30/27



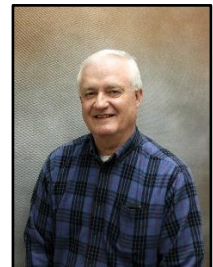
**Tim Snaith**  
Director  
**Position 2**  
Term Expires  
06/30/25



**Bill Leavens**  
Director  
**Position 3**  
Term Expires  
06/30/27



**Steve Shafer**  
Secretary/Treas  
**Position 4**  
Term Expires  
06/30/25



**John Dimick**  
Vice President  
**Position 5**  
Term Expires  
06/30/27

## **Budget Committee Members**

Ken Cummings	Term Expires 12/31/23
Rob Hernandez	Term Expires 12/31/25
Steven Weber	Term Expires 12/31/25
Tom Rambo	Term Expires 12/31/23
Mark Hefley	Term Expires 12/31/24

## **Legal Counsel**

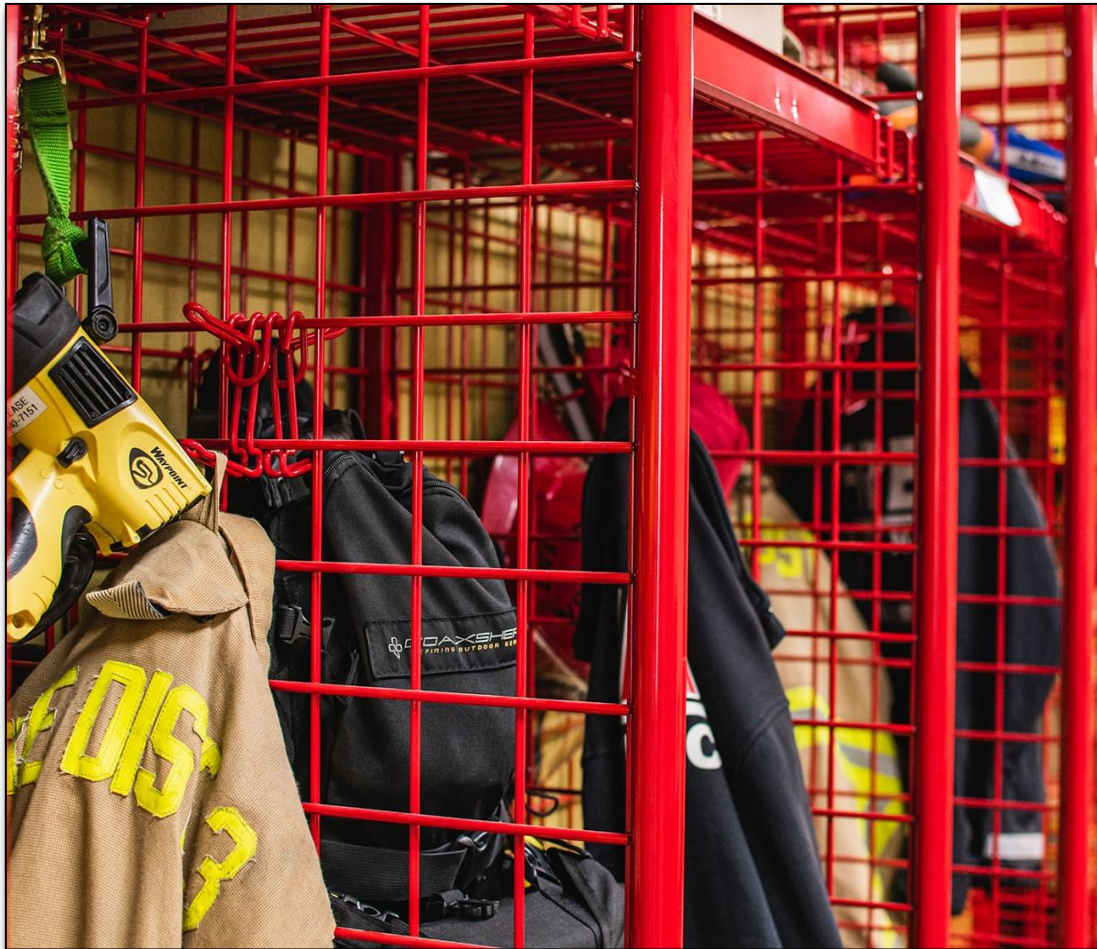
Local Government Law Group  
975 Oak Street, Suite 700  
Eugene, OR 97401

## **Registered Agent**

Mike Hussey  
Fire Chief  
8383 Agate Road  
White City, OR 97503



# Financial Section





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# **RICHARD W. BREWSTER, CPA, PC**

CERTIFIED PUBLIC ACCOUNTANT

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MEDFORD, OREGON 97504  
(541) 773-1885 • FAX (541) 770-1430  
[www.rwbrewstercpa.com](http://www.rwbrewstercpa.com)

## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Jackson County Fire District No. 3  
8383 Agate Road  
White City, OR 97503

### **Opinions**

I have audited the accompanying financial statements of the governmental activities and each major fund of Jackson County Fire District No. 3 (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 my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Jackson County Fire District No. 3 as of June 30, 2023, 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.

### **Basis for Opinions**

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Jackson County Fire District No. 3, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Jackson County Fire District No. 3's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

My 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 my 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 generally accepted auditing standards 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 generally accepted auditing standards, I:

- 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 my 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.

I am 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 I identified during the audit.

#### **Other Matters**

##### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

##### Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Jackson County Fire District No. 3's basic financial statements. The other supplementary information is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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. In our opinion, the combining and individual nonmajor fund financial statements are 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 report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic 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 basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

##### Other Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, I have also issued my report dated November 29, 2023, on my consideration of Jackson County Fire District No. 3's internal control over financial reporting and on my tests of its compliance with the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-240 to 162-10-320. The purpose of that report is to describe my evaluation of internal control over financial reporting and the scope of my testing of compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance.



Richard W. Brewster  
Certified Public Accountant  
November 29, 2023



## Management's Discussion and Analysis

---

As management of Jackson County Fire District 3 (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages one through five of this report.

### FINANCIAL HIGHLIGHTS

- In the government-wide financial statements, the assets and deferred outflows of resources exceeded its liabilities and deferred inflows at June 30, 2023 by \$11,867,990 (net position), which reflects an increase of net position of \$1,082,781. Of this amount, \$12,856,394 represents the District's net investment in capital assets and the difference represents an unrestricted deficit net position of \$988,404, which is the part of net position that can be used to meet the District's ongoing services and commitments to its citizens and obligations to creditors without constraint.
- The District's total net position increased by \$1,082,781 for the year ended June 30, 2023. Unrestricted net position decreased by \$1,205,522. Net investment in capital assets net position decreased by \$122,741.
- As of June 30, 2023 the District's governmental funds reported combined ending fund balances of \$11,295,234 an increase of \$574,454 in comparison with the prior year, the result of receiving more revenue in comparison to spending across expenditure accounts. Approximately 56 percent of this amount (\$6,348,845) is available for spending at the District's discretion (unassigned fund balance).
- At June 30, 2023 unrestricted fund balance (the total of the assigned and unassigned components of fund balance) for the General Fund was \$6,348,845 or approximately 40 percent of total General Fund expenditures and demonstrates compliance with policy in maintaining four months of budgetary basis General Fund expenditures as ending fund balance each year.
- The District's total long-term debt decreased by \$386,000 (12.5 percent) during the current fiscal year. This was due to scheduled principal payments made towards the District's outstanding Full Faith and Credit Obligation.

### OVERVIEW OF FINANCIAL STATEMENTS

The discussion and analysis provided here are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements 2) fund financial statements, and 3) notes to the financial statements. The government-wide and fund financial statements are combined for presentation purposes. This report also contains required supplementary information (RSI) 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 a private-sector business and include the *Statement of Net Position* and the *Statement of Activities*. They focus on an entity-wide presentation using the accrual basis of accounting and are designed to be more corporate-like in that all activities are consolidated.

## Management's Discussion and Analysis

---

The **Statement of Net Position** presents financial information on all of the District's assets and deferred outflows, and liabilities and deferred inflows, with the difference 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 for some items that will only result in cash flows in future fiscal periods (e.g., uncollected property taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by property taxes. The governmental activities of the District include general government and fire protection.

The government-wide financial statements can be found on pages 19 and 21 of this report.

**Fund Financial Statements.** 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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the District's funds are classified under the governmental fund category.

**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, government 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 assessing the District's near-term financial 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 District's near-term financial decisions. Both the governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the statement of revenues, expenditures, and changes in fund balances for those funds that are considered significant (major) to the District taken as a whole. These financial statements report two major funds; the General Fund and Capital Projects Fund.

The District adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 19 and 21 of this report.

**Notes to the Basic Financial Statements.** The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 23-53 of this report.

## Management's Discussion and Analysis

**Required Supplementary Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The RSI schedules include budgetary comparisons for the general fund. Required supplementary information can be found on pages 54-60 of this report.

**Other Supplementary Information.** The detail to the budgetary comparison schedules for the General and Capital Project Funds and the schedules of property tax and debt transactions follow the required supplementary information in this report. Other supplementary information can be found on pages 61-69 of this report.

### GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$11,867,990 at June 30, 2023.

Net Position:	Governmental Activities		Increase (Decrease) from Fiscal 2022
	2023	2022	
Current and other assets	\$ 13,407,762	\$ 12,489,227	\$ 918,535
Capital assets	15,617,369	16,075,135	(457,766)
Total assets	29,025,131	28,564,362	460,769
Total deferred outflows of resources	4,994,139	4,791,861	202,278
Current liabilities	881,654	891,205	(9,551)
Long-term liabilities outstanding	16,157,038	13,527,002	2,630,036
Total liabilities	17,038,692	14,418,207	2,620,485
Total deferred inflows of resources	5,112,588	8,251,807	(3,139,219)
Net position:			
Net investment in capital assets	12,856,394	12,979,135	(122,741)
Unrestricted	(988,404)	(2,193,926)	1,205,522
Total net position	\$ 11,867,990	\$ 10,785,209	\$ 1,082,781

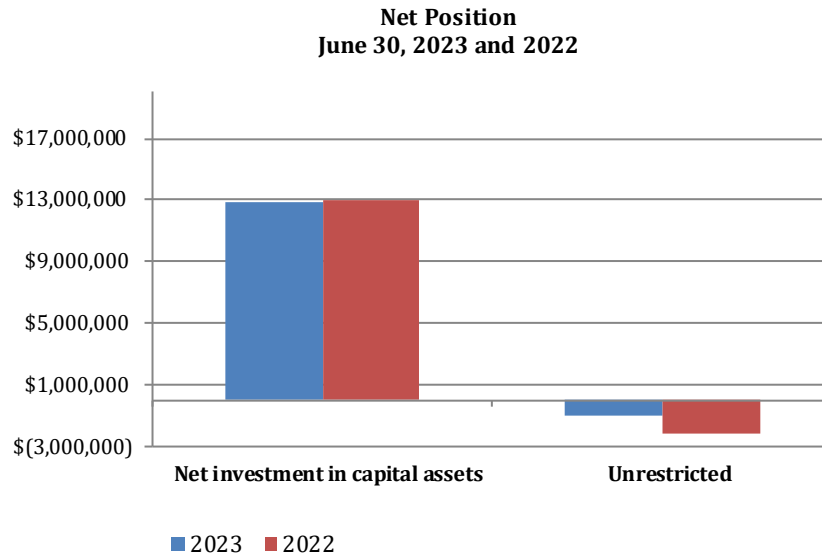
A significant portion of the District's net position (\$12,856,394) reflects its investment in capital assets (e.g. land, buildings, fire apparatus, and equipment); less any related outstanding debt used to acquire those assets and capital related liabilities such as accounts payable. The District uses these capital assets to provide fire and emergency medical services to its citizens. Accordingly, these assets are not available for future spending. This is offset by a deficit unrestricted net position of \$988,404 which reflects the District's allocable portion of the Oregon Public Employees Retirement System liability and related deferrals. The decrease in net pension liability and related deferrals to PERS at June 30, 2023 was \$523,752.

Assets consist of cash and cash equivalents, property taxes and other receivables, and prepaid item that are used to meet the District's ongoing obligations to its citizens. Remaining assets are comprised of capital assets used in operations.

The District's largest liabilities (93 percent) are for the long-term portion of the District's debt, pension and OBEP liabilities. Current liabilities consist largely of accounts payable, accrued salaries and benefits payable, accrued compensated absences, and the current portion of long-term debt to be paid.

## Management's Discussion and Analysis

The changes in net position are shown in the following graph:



**Governmental Activities.** During the current fiscal year, the District's net position increased by \$1,082,781. The main contributors to the overall increase in net position were the net effects of an increase in property taxes of \$749,356, earnings on investment of \$327,875, and \$80,495 across grants, gain on sale of assets, and miscellaneous revenue combined with conflagration reimbursements.

Changes in overall expenses saw an increase of \$780,101 due to increases in fire protection expenses of \$795,651, which resulted from the net effects of a combined increase of \$1,319,403 in personnel services and materials and services, depreciation and amortization, offset by a decrease of \$523,752 in actuarial calculated total pension expense and net OPEB liabilities, and a decrease of \$15,550 in interest expense for debt service.

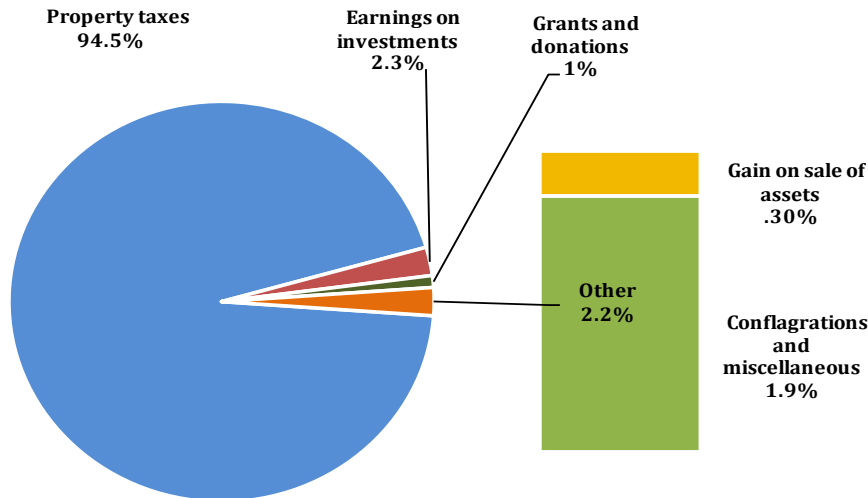
Governmental Activities			
Changes in Net Position:	2023	2022	Increase (Decrease) from Fiscal 2022
<b>Revenues</b>			
Property taxes	\$ 16,363,555	\$ 15,614,199	\$ 749,356
Earnings on investments	396,531	68,656	327,875
Grants and donations	166,108	169,132	(3,024)
Gain on sale of assets	57,527	8,204	49,323
Conflagrations and miscellaneous	333,773	299,577	34,196
Total revenues	<u>17,317,494</u>	<u>16,159,768</u>	<u>\$ 1,157,726</u>
<b>Expenses</b>			
Fire protection	16,176,046	15,380,395	795,651
Interest on long-term debt	58,667	74,217	(15,550)
Total expenses	<u>16,234,713</u>	<u>15,454,612</u>	<u>780,101</u>
Change in net position	<u>1,082,781</u>	<u>705,156</u>	<u>377,625</u>
Net position - beginning of year	<u>10,785,209</u>	<u>10,080,053</u>	<u>705,156</u>
Net position - end of year	<u>\$ 11,867,990</u>	<u>\$ 10,785,209</u>	<u>\$ 1,082,781</u>



## Management's Discussion and Analysis

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Revenue Sources - Governmental Activities  
Fiscal Year End 2023



### FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

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

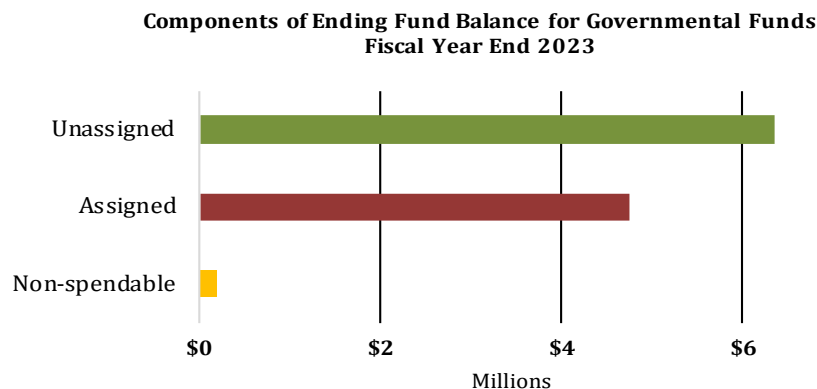
**Governmental Funds.** The focus of the District's governmental funds is to provide information on short-term deferred inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. It represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the District itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the District's Board of Directors.

At June 30, 2023, the District's governmental funds reported combined ending fund balances of \$11,295,234 an increase of \$574,454 in comparison with the prior year. This increase is primarily the result of higher revenue compared to spending. A large portion of this total amount (56 percent) constitutes unassigned fund balance, which is a measure of the District's liquidity and is available for spending at the government's discretion. The remainder of the fund balance is considered non-spendable for prepaid expenses (1.8 percent) and assigned for particular purposes such as capital projects (42 percent).

## Management's Discussion and Analysis

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The components of governmental funds ending fund balance is depicted below:



**General Fund.** The General Fund is the primary operating fund of the District. At June 30, 2023 unassigned fund balance of the General Fund was \$6,348,845 while total fund balance was \$6,547,170. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents 39 percent of total General Fund expenditures, while total fund balance represents approximately 41 percent of that same amount.

The fund balance of the District's General Fund increased by \$963,430 or 17 percent during the current fiscal year. Property tax revenue, which provides for the costs of operating the District, increased \$729,135 over the prior year. This is due to additional tax distributions received in the prior year from property lawsuit settlements and higher property growth. Interest earnings saw an increase of \$327,875, grant revenue decreased \$3,024, state wildland fire conflagration deployment increased by \$43,214, and miscellaneous revenues decreased by \$10,817.

Fire protection, debt service, and capital outlay expenditures increased \$134,776 overall, which is a reflection of increases in salaries and benefits by \$752,614 offset by decreases in capital outlay and debt service over the prior year. Transfers out to other funds increased by \$1,536,400.

**Capital Projects Fund.** The Capital Projects Fund accounts for resources and expenditures pertaining to land acquisition, new construction, significant improvements of new and existing facilities, and the acquisition of fire apparatus, vehicles, and equipment valued over \$5,000 with a useful life over one year. The ending fund balance decreased by \$388,976 to \$4,748,064 at June 30, 2023 and is assigned to capital projects. The primary contributor for the decrease was due to budgeted projects in accordance with the Capital Replacement Plan in relation to incoming revenue.

### BUDGETARY HIGHLIGHTS

**Original budget compared to final budget.** There were two supplemental budgets in the General Fund during the year. Supplemental budget one appropriated revenue from Contingency to establish a salary account for an unbudgeted position within the Administration Department, and the associated benefit account impacts of that new position, totaling \$180,000. Supplemental budget two also established a new salary account for an unbudgeted position with the Administration Department through the reallocation of funds from the Operations Department totaling \$40,000.

**Final budget compared to actual results.** The most significant difference between estimated revenues and actual revenues was in earnings on investments, where \$120,000 was budgeted but actual revenue received

## Management's Discussion and Analysis

was \$396,531. This increase of \$276,531 was the result of Federal interest rate hikes to slow inflation and the corresponding impact those rate hikes have on fixed income interest rates. In addition, current property tax revenue saw an increase of \$149,438, where \$15.9 million was budgeted but just over \$16 million was received.

A review of actual expenditures compared to the appropriations in the final budget yields significant variances in personnel services and materials and services. Actual expenditures across all personnel services accounts was \$13,041,582 whereas the final budget reflected estimated expenditures to be \$13,944,000. The difference of \$902,418 was the result of overall budgeted estimates coming in under actual and savings due to some position vacancies. Actual expenditures across materials and services accounts was \$2,660,849 whereas the final budget reflected estimated expenditures to be \$2,926,300. This difference of \$265,451 was also the result of budgeted estimates coming in under actual and some budgeted projects not coming to full fruition.

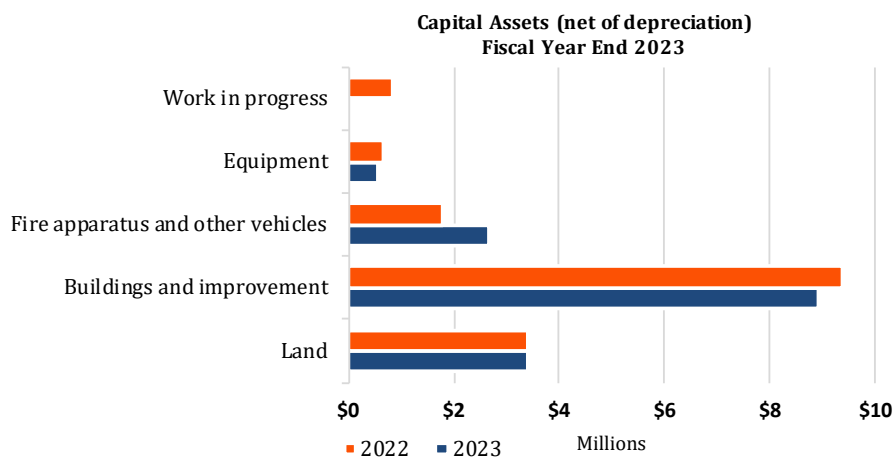
### CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital Assets.** The District's investment in capital assets for governmental activities as of June 30, 2023, was \$15,617,369 net of accumulated depreciation. This investment in capital assets includes land and improvements, buildings and improvements, fire apparatus, vehicles, and general fire suppression equipment.

During the year, the District's investment in capital assets decreased by \$457,766 or 2.8 percent, reflecting assets of \$1,314,657 added during the year, offset by \$997,367 of depreciation and \$100,678 of disposals net of related depreciation. Capital assets added during the year include fire apparatus, response vehicles, and medical and risk reduction equipment. The District's construction in progress includes initial costs toward the purchase of wildland apparatus.

Additional information on the District's capital assets can be found in the notes to the basic financial statements on page 34 of this report.

Capital Assets (net of depreciation):	2023	2022	Increase (Decrease) from Fiscal 2022
Land	\$ 3,390,740	\$ 3,390,740	\$ -
Buildings and improvement	8,912,531	9,389,727	(477,196)
Fire apparatus and other vehicles	2,665,006	1,770,541	894,465
Equipment	571,735	671,714	(99,979)
Work in progress	77,357	852,413	(775,056)
Total capital assets	<u>\$ 15,617,369</u>	<u>\$ 16,075,135</u>	<u>\$ (457,766)</u>



## Management's Discussion and Analysis

**Long-Term Debt.** As of June 30, 2023, the District had total debt outstanding of \$2,710,000, consisting of one full faith and credit obligation. The District's total debt decreased by \$386,000 or 12.5 percent during the current fiscal year.

Outstanding Debt:	2023	2022	Increase (Decrease) from Fiscal 2022
Full faith and credit obligations	\$ 2,710,000	\$ 3,096,000	\$ (386,000)
Total outstanding debt	<u>\$ 2,710,000</u>	<u>\$ 3,096,000</u>	<u>\$ (386,000)</u>

The State of Oregon mandates a debt limit of 1.25 percent of the real market value of assessed property. The current debt limitation for the District is \$123,602,739 which is significantly in excess of the District's outstanding debt. The District maintains an "Aaa" rating from Moody's Investors Service.

Additional information on the District's long-term debt can be found on pages 34 and 35 of this report.

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Population in the region and demand for service is expected to continue to grow over the next decade. Staff will continue to work proactively with other government partners and regional planning groups to ensure continued ability to serve future populations. This includes growth in service delivery models, station locations, and right response methods.

The District anticipates modest increases in future property tax revenues based on projected assessed valuation increases, which by law generally may increase for existing property at three percent a year unless assessed value exceeds real market value. The District will continue to be proactive and ensure that expenditures do not outpace property tax revenue.

The District, through its broad and diverse geographic area, serves a strong part of Jackson County's economic base. The District's unemployment numbers continue to remain low and labor shortages have caused creativity in filling positions throughout our region.

The District will continue to plan for future rate increases into the Oregon Public Employees Retirement System (PERS). Pension costs continue to be a sensitive issue statewide and government employers continually experience difficulty with the sustainability of pension funding. The District will continue to be proactive in budgeting and long-term forecasting, anticipating further rate increases in the future.

During the current fiscal year, budgeted unassigned fund balance in the General Fund is \$4,164,000. The District adopted a General Fund budget of \$24,796,000 in which total estimated resources and expenditures balance. Of this amount, the District has appropriated \$17,747,000 for program spending and debt obligations.

### REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Jackson County Fire District 3's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Administrative Officer, Jackson County Fire District 3, 8383 Agate Road, White City, OR 97503.

# Basic Financial Statements



**JACKSON COUNTY FIRE DISTRICT 3**  
**Statement of Net Position and**  
**Governmental Funds Balance Sheet**  
June 30, 2023

	General Fund	Capital Projects Fund	Total Governmental Funds	Adjustments	Statement of Net Position
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 6,976,690	\$ 4,799,039	\$ 11,775,729	\$ -	\$ 11,775,729
Receivables:					
Property taxes receivable	726,962		726,962		726,962
Lease receivable	39,085		39,085	438,717	477,802
Prepaid items	198,325		198,325		198,325
Net PERS RHIA OPEB asset				228,944	228,944
Capital assets not being depreciated:					
Land				3,390,740	3,390,740
Work in progress				77,357	77,357
Capital assets, net of accumulated depreciation				12,149,272	12,149,272
Total assets	7,941,062	4,799,039	12,740,101	16,285,030	29,025,131
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
PERS RHIA OPEB				25,037	25,037
Contributions after measurement date				1,765	1,765
Pension related deferred outflows				3,191,176	3,191,176
Contributions after measurement date				1,776,161	1,776,161
Total deferred outflows of resources				4,994,139	4,994,139
<b>Total assets and deferred outflows</b>	<b>\$ 7,941,062</b>	<b>\$ 4,799,039</b>	<b>\$ 12,740,101</b>	<b>21,279,169</b>	<b>34,019,270</b>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	\$ 135,962	\$ 50,975	\$ 186,937		186,937
Accrued salaries and benefits payable	272,397		272,397		272,397
Accrued interest payable				28,320	28,320
Current maturities of long-term debt				394,000	394,000
Non current liabilities:					
Due within one year:					
Compensated absences				277,301	277,301
Due in more than one year:					
Long-term liabilities				2,316,000	2,316,000
Compensated absences				831,903	831,903
Total OPEB liability - single employer plan				1,606,309	1,606,309
Net pension liability (PERS)				11,125,525	11,125,525
Total liabilities	408,359	50,975	459,334	16,579,358	17,038,692
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	596,448		596,448	(596,448)	-
Unavailable revenue - grants	350,000		350,000	-	350,000
Unavailable revenue - leases	39,085		39,085	39,085	39,085
Deferred lease resources				438,717	438,717
PERS RHIA OPEB related inflows				48,764	48,764
Pension related deferred inflows				4,236,022	4,236,022
Total deferred inflows of resources	985,533	-	985,533	4,166,140	5,112,588
<b>FUND BALANCES</b>					
Non-spendable	198,325		198,325	(198,325)	-
Assigned to capital projects		4,748,064	4,748,064	(4,748,064)	-
Unassigned	6,348,845		6,348,845	(6,348,845)	-
Total fund balances	6,547,170	4,748,064	11,295,234	(11,295,234)	-
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 7,941,062</b>	<b>\$ 4,799,039</b>	<b>\$ 12,740,101</b>		
<b>NET POSITION</b>					
Net investment in capital assets				12,856,394	12,856,394
Unrestricted				(988,404)	(988,404)
Total net position				\$ 11,867,990	\$ 11,867,990

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



**JACKSON COUNTY FIRE DISTRICT 3**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
June 30, 2023

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

Total fund balances		\$ 11,295,234
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Land	\$ 3,390,740	
Work in progress	77,357	
Other capital assets, net of accumulated depreciation	<u>12,149,272</u>	15,617,369
Lease assets are not financial resources and therefore are not reported in the governmental funds, however the current portion is reflective as a deferred inflow of resources.		
Present value of lease receivable	477,802	
Current portion	(39,085)	
Deferred lease resource	<u>(438,717)</u>	-
Pension contributions after the measurement date are recognized as a deferred outflow of resources.		1,776,161
Pension related deferred outflows and inflows are not recognized on the governmental funds balance sheet.		
Net PERS RHIA OPEB asset and related deferrals	206,982	
PERS pension related outflows	3,191,176	
PERS pension related inflows	<u>(4,236,022)</u>	
Total pension deferred outflows and inflows		(837,864)
Net pension liability for PERS is not recognized on the governmental funds balance sheet.		(11,125,525)
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and therefore are not reported in the funds.		
Accrued interest payable on long-term debt	(28,320)	
Accrued compensated absences	(1,109,204)	
Long-term debt	(2,710,000)	
Other postemployment benefits for single employer plan	<u>(1,606,309)</u>	
Total long-term liabilities		(5,453,833)
Some of the District's taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as unavailable revenue in the funds.		596,448
Net position of governmental activities		<u><u>\$ 11,867,990</u></u>

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

**JACKSON COUNTY FIRE DISTRICT 3**  
**Statement of Activities and**  
**Governmental Fund Revenues, Expenditures, and Changes in Fund Balances**  
For the Fiscal Year Ending June 30, 2023

	General Fund	Capital Projects Fund	Total Governmental Funds	Adjustments	Statement of Activities
<b>REVENUES</b>					
Property taxes	\$16,311,246	\$ -	\$16,311,246	\$ 52,309	\$ 16,363,555
Earnings on investments	396,531		396,531		396,531
Lease revenue	38,285		38,285		38,285
Interest on lease	10,786		10,786		10,786
Rental income	12,667		12,667		12,667
Grants and donations	127,484	38,624	166,108		166,108
State conflagrations	95,131		95,131		95,131
Gain on sale of capital assets				57,527	57,527
Miscellaneous	176,904		176,904		176,904
<b>Total revenues</b>	<b>17,169,034</b>	<b>38,624</b>	<b>17,207,658</b>	<b>109,836</b>	<b>17,317,494</b>
<b>EXPENDITURES/EXPENSES</b>					
Fire Protection					
Current					
Personnel services	13,041,582		13,041,582	(523,752)	12,517,830
Materials and services	2,660,849		2,660,849		2,660,849
Depreciation				997,367	997,367
Capital outlay		539,600	539,600	(539,600)	-
Debt service					
Principal	386,000		386,000	(386,000)	-
Interest	62,700		62,700	(4,033)	58,667
<b>Total expenditures/expenses</b>	<b>16,151,131</b>	<b>539,600</b>	<b>16,690,731</b>	<b>(456,018)</b>	<b>16,234,713</b>
Excess (deficiency) of revenues over expenditures	1,017,903	(500,976)	516,927	565,854	1,082,781
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from sale of general capital assets	527	57,000	57,527	(57,527)	
Interfund transfers (from) to	(55,000)	55,000	-		
<b>Total other financing sources (uses)</b>	<b>(54,473)</b>	<b>112,000</b>	<b>57,527</b>	<b>(57,527)</b>	<b>-</b>
Net change in fund balances	963,430	(388,976)	574,454	(574,454)	
Change in net position				1,082,781	1,082,781
<b>FUND BALANCES/NET POSITION</b>					
Beginning of year - July 1, 2022	5,583,740	5,137,040	10,720,780	64,429	10,785,209
End of year - June 30, 2023	<u>\$ 6,547,170</u>	<u>\$ 4,748,064</u>	<u>\$11,295,234</u>	<u>\$ 572,756</u>	<u>\$ 11,867,990</u>

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

**JACKSON COUNTY FIRE DISTRICT 3**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances to the Statement of Activities**  
For the Fiscal Year Ending June 30, 2023

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

Net Changes in Fund Balances	\$	574,454
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes		52,309
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The Statement of Activities recognizes net pension and OPEB expense in personnel services, however governmental funds do not recognize these as expenditures.

Net increase/(decrease) in PERS RHIA OPEB asset	\$ (44,710)		
Net increase/(decrease) in total single-employer OPEB liability	50,547		
Net increase/(decrease) in total pension liability	519,691		525,528

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	539,600		
Depreciation	(997,367)		(457,767)

In the Statement of Activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold.

Proceeds from the sale of capital assets	(57,527)		
Gain (loss) from the sale of capital assets	57,527		-

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

386,000

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Net increase in accrued compensated absences			(1,776)
Accrued interest on bonds			4,033

Change in net position of governmental activities	\$	1,082,781
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The notes to the basic financial statements are an integral part of this statement.

### **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Jackson County Fire District 3 (the District), a rural fire protection district in the State of Oregon, have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). GAAP statements require the application of all relevant Governmental Accounting Standards Board (GASB) pronouncements.

#### **A. Reporting entity**

Jackson County Fire District 3 was formed as a result of a special election held on July 21, 1952. The District operates under Oregon Revised Statutes Chapter 478 as a Rural Fire Protection District and provides fire protection and medical response within the northern part of Jackson County including the communities of White City, Agate Lake, Gold Hill, Sams Valley, Eagle Point, and Central Point.

The District is governed by a Board of Directors, consisting of five elected members for a period of four years. The Board of Directors has the statutory authority to adopt and modify the budget; levy taxes; control all assets; sign contracts, and authorizes borrowing or debt issuances. The responsibility and accountability over all funds and fiscal matters are vested in the Board of Directors. The District is responsible for its debts and is entitled to surpluses.

The Board of Directors appoints the Fire Chief to manage the day-to-day activities within the scope of the District. The Fire Chief is accountable to the Board of Directors for the activities being managed.

The District is the primary, special purpose government responsible for all fire protection within its service areas. As a result, all significant activities have been included in the government-wide financial statements. The District's financial statements represent those of a stand-alone government, as there are no component units.

#### **B. Basis of presentation - government-wide and fund financial statements**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The entity-wide statements and governmental fund statements have been combined as allowed for single-purpose governmental activities. The Statement of Net Position and the Governmental Funds Balance Sheet have been combined into a single presentation, with adjustments indicated to move from fund totals to the entity-wide totals. Similarly, the Statement of Activities and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance have also been combined.

In the government-wide financial statements, information is displayed about the reporting government as a whole. The primary focus is on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities. The District does not allocate indirect costs.

## Notes to Basic Financial Statements

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The fund financial statements provide information about the District's funds and the financial transactions of the District are reported at the individual fund level. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, fund equity, revenues, and expenditures/expenses.

The District reports the following governmental funds:

- The *General Fund* is the District's primary operating fund. It is used to account for and report all financial resources except those required to be accounted for and reported in another fund. Principal sources of revenues are property taxes, charges for services, and earnings on investments. Primary expenditures are for personnel services, materials and services, and debt service.
- The *Capital Projects Fund* accounts for the revenue and expenditures related to construction of new or existing District facilities and the acquisition of apparatus, vehicles, and large-scale equipment. Principal sources of revenue are transfers from the General Fund, or at times loan proceeds and grant revenue. Interest earned in this fund is recorded in the General Fund.

Both funds are reported as separate columns in the fund financial statements. Although the Capital Projects Fund is considered a non-major fund because the expenditures in this fund typically do not constitute more than 10% of the expenditures of the total appropriated budget (except for fiscal years with capital construction), the District has elected to report it as a major fund in terms of financial statement presentation because we believe it is important to financial statement users.

The Statement of Net Position presents information on all of the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between them reported as net position.

The Statement of Activities demonstrates the degree to which the direct expense 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 revenue includes charges to customers who purchase, use, or directly benefit.

### C. Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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



## Notes to Basic Financial Statements

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The governmental fund financial statements are reported using the *current financial resource measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 31 days after the end of the current fiscal period. The exception to this is investment income, which is recognized when earned. Significant revenues that were measurable and available at June 30, 2023 were property taxes.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

### D. Budgetary information

#### 1. *Budgetary basis of accounting*

The District budgets all funds in accordance with requirements under state law and on a basis consistent with generally accepted accounting principles. All funds are budgeted on the modified accrual basis of accounting.

The appropriated budget is prepared by fund, function, and department. The Board of Directors adopts the original budget by resolution prior to the beginning of the District's fiscal year (July 1 through June 30). The Board resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total personnel services, materials and services, capital outlay, transfers out, and contingencies are the levels of control established by the resolution. The General Fund also defines those same appropriation levels by six departmental levels. The District's department heads may request transfers of appropriations within their department or between other departments. Such transfers of appropriations however require support from the Fire Chief and then final approval by the Board of Directors via a resolution. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is at the department level.

Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution. Supplemental budgets less than 10 percent of the fund's original budget may be adopted by the Board of Directors at a regular Board meeting. A supplemental budget greater than 10 percent of the fund's original budget requires hearings before the public, publication of proposed change, and approval by the Board of Directors.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed contracts for goods or services (i.e., purchase orders). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which are expected to be performed in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

## Notes to Basic Financial Statements

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Budgetary information is provided in the Required Supplementary Information section under the Notes to the Budgetary Comparison Schedules.

### ***2. Excess of expenditures over appropriations***

For the year ended June 30, 2023 the District's expenditures exceeded materials and services appropriations within the Strategic Services Department by \$55,795, however the entire department was in the positive by \$223,199. This was due to unanticipated expenditures in the last week of the fiscal year in which a budget remedy could not be made in time. No other expenditures exceeded appropriations by department and by fund.

## **E. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance**

### ***1. Cash and cash equivalents***

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term highly liquid investments with a maturity of three months or less from the date of acquisition.

### ***2. Investments***

Investments for the District are maintained in the Oregon Local Government Investment Pool (LGIP) and are carried at cost. The LGIP operates in conformity with Oregon Revised Statute 293.726 and is subject to regulatory oversight by the Oregon State Treasurer. The LGIP is not required to be registered with the SEC.

GASB Statement 72, *Fair Value Measurement and Application*, establishes a framework for measuring fair value and establishes a reporting hierarchy to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. This Statement had no material impact to the financial statements for the year ended June 30, 2023.

### ***3. Receivables***

Property taxes, all of which are receivable from property owners within the District, are assessed on January 1 and become a lien against the property as of July 1 each year. Taxes are payable in three installments on November 15, February 15, and May 15. Taxes unpaid and outstanding on May 15 are considered delinquent. At June 30, 2023, no allowance for doubtful accounts is considered necessary for property taxes.

Lease receivables are recognized at the net present value of the leased assets at a borrowing rate either explicitly described in the agreement or implicitly determined by the District, reduced by principal payments received.

### ***4. Prepaid items***

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

## Notes to Basic Financial Statements

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### 5. *Capital assets*

Capital assets, which include property, plant, and equipment, are stated at cost in the government-wide financial statements. Donated assets and historical treasures are reported at their acquisition value at the date of donation. The District defines capital assets with an initial cost of more than \$5,000 and an estimated useful life greater than one year. Replacements, which improve or extend the life of property, are capitalized. Interest incurred during construction is not capitalized as a capital asset. Maintenance, repairs, and equipment replacements of a routine nature are charged to expenditures/expenses as incurred and are not capitalized. Land, construction in progress, and certain historical treasures meeting certain criteria are not depreciated.

Depreciation on exhaustible assets is recorded as an allocated expense in the statement of activities with accumulated depreciation reflected in the statement of net position. Land and construction in progress are not depreciated. Those assets that are subject to depreciation are calculated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	30
Machinery and equipment	3-15
Vehicles and fire apparatus	7-10

Gains or losses from sales or retirements of capital assets are included in operations of the current period.

### 6. *Long-term debt*

Long-term debt is reported as a liability in the Statement of Net Position. Bond payments and discounts are deferred and amortized over the life of the related debt using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, bond premiums and discounts are recognized when incurred. The face amount of the debt issued, premiums, and discounts received on debt issuances, are reported as other financing sources and uses. In accordance with GASB Statement 65, bond issuance costs are expensed as incurred.

### 7. *Deferred outflows/inflows of resources*

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three types of items that qualify for reporting in this category; 1) deferred outflows with respect to the District's pension plan and other post-employment benefits and that consist of employer contributions after the measurement date, 2) experience differences, and (3) changes in proportion.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has three types of items that qualify for reporting in this category, which arise only under the modified accrual basis of accounting. Unavailable property taxes and

## Notes to Basic Financial Statements

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leases are reported as *unavailable revenue* only in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period in which it becomes available. The other deferred inflow item relates to the District's pension plan and consists of a deferred pension investment and pension contribution difference. This consists of differences between projected and actual investment earnings and changes in employer proportion and differences between employer contributions and the District's proportionate share of system contributions. In the Statement of Net Position, a deferred inflow of resources related the District's pension plan is recognized.

### **8. Net position flow assumption**

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources. Restricted assets or resources are those subject to the constraints that are externally imposed by creditors, grantors, State laws and regulations, or imposed by law through constitutional provisions or enabling legislation. Such restricted assets are segregated on the government-wide Statement of Net Position. In order to calculate the amounts to report as restricted, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to use restricted resources first (net position to have been depleted before unrestricted) then unrestricted resources as they are needed (net position is applied).

### **9. Fund balance flow assumptions**

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to spend restricted resources first when both restricted and unrestricted resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and lastly, unassigned fund balance.

### **10. Fund balance policies**

Fund balance classifications, as reported in the governmental funds, comprise a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed on the use of the resources reported. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The components of fund balance as defined by GASB Statement No. 54 are:

- Nonspendable fund balance represents amounts that are not in a spendable form. The nonspendable fund balance represents inventories and prepaid items.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose such as debt covenants, grant requirements, donor requirements, or other governments or are restricted by law (enabling legislation).
- Committed fund balance represents funds formally set aside by a governing body for a particular purpose. The Board may commit fund balance by resolution. The Board may also modify or rescind commitments by resolution.

## Notes to Basic Financial Statements

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- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body. Both the Fire Chief and the Chief Administrative/Financial Officer have been given this authority by resolution by the Board.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

The Board of Directors has approved the following order of spending regarding fund balance categories: Restricted resources are spent first when both restricted and unrestricted (committed, assigned, or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and lastly, unassigned fund balance.

Minimum fund balance policy. To preserve a sound financial system and to provide a stable financial base, the District Board of Directors has adopted a financial policy to maintain a minimum level of unrestricted fund balance (the total of committed, assigned, and unassigned components of fund balance) in the general fund. The target level is set at 26 percent of the budgeted year's property tax revenue. This amount is intended to provide for four (4) months of general fund operating expenditures until property taxes are received in November, thus eliminating the need for short-term borrowing. The District does not have a policy that will allow it to fall below this minimum threshold. The District was in compliance with this policy for fiscal year ended June 30, 2023.

### F. Revenues and expenditures/expenses

#### 1. *Property taxes*

Property taxes attach as an enforceable lien on real property and are levied as of July 1st. The tax levy is billed to citizens who own taxable assessed property in October of each year with the first collection date as November 15th. Those who pay in full by this date are allowed to take a three percent discount. Those who elect to pay in installments are required to pay the remaining balance either on the second installment due date of February 15 to receive a one percent discount, or the remaining balance on the third installment due date of May 15. Those who pay by the later date receive no discount. The billings are considered past due 30 days after the respective tax billing date, at which time the applicable property is subject to lien and penalties and interest are assessed.

#### 2. *Compensated absences*

##### Vacation and Compensatory Time

Accumulated accrued vacation absences and compensatory time are accrued when incurred and earned in the Statement of Net Position and Statement of Activities. Due to the current financial resources focus of the governmental funds, a liability for those amounts are only reported on the governmental funds balance sheet if the liability has matured as the result of employee retirements and resignations. The entire balance is reported on the Statement of Net Position. Also, for the governmental activities, compensated absences are generally liquidated by the General Fund.

##### Sick Leave

Accumulated sick leave does not vest and is therefore recorded when leave is taken.

## Notes to Basic Financial Statements

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### **3. Long-term obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of applicable bond premium or discount. Bond issuance costs are treated as period costs in the year of issue and are shown as an expense.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as material and services expenditures.

### **4. Interfund transactions**

Interfund activity is reported as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

### **5. Use of estimates**

The preparation of these general-purpose financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

## **G. Pension obligations**

In accordance with GASB Statement 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement 27*, the District's measurement of the net pension (asset)/liability, deferred inflows and outflows related to pensions, and pension expense have been determined based on the basis reported by Oregon Public Employees Retirement System (PERS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

In accordance with GASB Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, the District's total pension (asset)/liability, deferred inflows and outflows related to pensions, and pension expense have been actuarially determined and reported.

## **H. Retirement plans**

All of the District's employees are participants in the State of Oregon Public Employees Retirement System (PERS). Contributions to PERS are made on a current basis as required by the plan and are charged as expenses/expenditures.



## Notes to Basic Financial Statements

### II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

#### A. Violations of legal or contractual provisions

The District did not have any legal or contractual violations in any of its funds as of June 30, 2023.

#### B. Deficit fund equity

The District did not have a deficit of fund equity in any of its funds as of June 30, 2023.

### III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

#### A. Cash deposits with financial institutions

As of June 30, 2023, the District's cash, cash equivalents, and investments are comprised of the following:

Cash, cash equivalents, and investments	
Cash on hand	\$ 500
Deposits with financial institutions	354,424
Investments:	
State of Oregon Local Government Investment Pool	11,420,805
Total cash and cash equivalents	<u>\$ 11,775,729</u>

The District maintains a separate accountability by fund for cash, cash equivalents, and investment accounts. Deposits with financial institutions include bank demand deposits. The combined total book balance at June 30, 2023 was \$354,424 and the total bank balance was \$507,828. The District's demand deposits are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). When deposits exceed the \$250,000 FDIC limit, they are secured in accordance with Oregon Revised Statutes 295 under Oregon Public Funds Collateralization Program. The remainder is collateralized with securities held by financial institutions acting as the agents of the District in the District's name.

*Custodial credit risk-deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District follows the Oregon statutes for custodial risk. Oregon Revised Statutes require the custodian bank to hold collateral pledged by the depository institutions. The Oregon State Treasurer (OST) provides the custodian the maximum liability for each bank. Banks will request security pledges, releases, and substitutions through OST's Public Funds Collateralization Program, who will approve such transactions and maintain an inventory of pledged securities and monitor that collateral is pledged at all times and that banks comply with ORS 295. A bank depository is required to pledge collateral valued at least 10% of their quarter-end fund deposits if they are well capitalized, 25% if they are adequately capitalized, or 110% if they are undercapitalized.

#### B. Investments

The Oregon Local Government Investment Pool (LGIP) is subject to regulatory oversight by the Oregon Short-Term Fund Board and the Oregon Investment Council. Cost approximates the District's fair value in the LGIP.

## Notes to Basic Financial Statements

The Oregon State Treasury Finance Division administers the LGIP. It 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 had 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. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP.

As of June 30, 2023, the District had \$11,420,805 invested in the Local Government Investment Pool.

*Interest rate risk.* In accordance with its investment policy, the District manages its exposure to fair value loss from increasing interest rates to maturities of 12 months or less.

*Credit risk.* State statutes govern the District's investment policies. Permissible investments include bankers' acceptances, bank repurchase agreements, time deposits, general obligations of the United States Government and its agencies, obligations of the State of Oregon and the Oregon Local Government Investment Pool (LGIP).

The State of Oregon Local Government Investment Pool is unrated for credit quality and is not registered with the U.S. Securities and Exchange Commission as an investment company. The Pool investments are not categorized into credit risk since they are not evidenced by specific securities. The Oregon Revised Statutes and the Oregon Investment Council govern the Pool's investment policies. The State Treasurer is the investment officer and responsible for all funds in the Pool. Investments in the fund are further governed by portfolio guidelines which establish diversification percentages and specify the types and maturities. The Oregon Audits Division of the Secretary of State's Office audits the Pool annually. The Division's report on the Pool as of and for the year ended June 30, 2023 was unqualified.

*Custodial credit risk-investments.* The District's investments in the Local Government Investment Pool (LGIP) are not evidenced by securities that exist in physical or book entry form and thus are not subject to custodial credit risk disclosures.

### C. Receivables

Receivables recorded for the District's governmental funds for the year ended June 30, 2023 were as follows:

Receivables	General Fund	Total Governmental Activities
Property taxes	\$ 726,962	\$ 726,962
Leases	477,802	477,802
Total Receivables	<u>\$ 1,204,764</u>	<u>\$ 1,204,764</u>

Governmental funds report deferred inflows of resources as unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Significant unavailable revenue in the governmental funds is for property taxes.

The District entered into a lease agreement with Rogue Community College (RCC) in July 2019. The lease provides RCC usage of the District's educational learning center and technical outdoor space to conduct their fire science program. The term of the lease is from July 1, 2019 to June 30, 2034 and provides for an annual payment in the amount of \$49,071.

## Notes to Basic Financial Statements

The lease receivable is recorded on the Statement of Net Position and the current portion is recorded on the Governmental Funds Balance Sheet. Deferred Inflows of Resources reflects the net present value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods. The lease is amortized over the lease term of 15 years. The District uses an implicit discount rate of 2.09 percent when calculating the interest revenue and principle received. This rate is based on the last debt acquisition the District received in the form of Certificates of Participation, Series 2019.

Lease activity for governmental activities for the year ended June 30, 2023 was as follows:

	Outstanding July 1, 2022	Additions	Reductions	Outstanding June 30, 2023
Fire Science Educational Building Lease to Rogue Community College (RCC)	\$ 516,087	\$ -	\$ 38,285	\$ 477,802
Total leases	<u>\$ 516,087</u>	<u>\$ -</u>	<u>\$ 38,285</u>	<u>\$ 477,802</u>

The lease payment amortization schedule below reflects the assumed principal and interest revenue, the lease receivable, and the deferred inflow of resources for each of the next five years and then five-year increments after that:

FY Year End	Installment Payment Amount	Lease Principal Received	Lease Interest Revenue	Lease Receivable	Deferred Inflow (Increase)/ Decrease	Deferred Inflow of Resources
2024	\$ (49,071)	\$ (39,085)	\$ 9,986	\$ 438,717	\$ 39,085	\$ (438,717)
2025	(49,071)	(39,902)	9,169	398,815	39,902	(398,815)
2026	(49,071)	(40,736)	8,335	358,079	40,736	(358,079)
2027	(49,071)	(41,587)	7,484	316,492	41,587	(316,492)
2028	(49,071)	(42,456)	6,615	274,036	42,456	(274,036)
2029-33	(245,355)	(225,969)	19,387	701,618	225,968	(701,620)
2034	(49,071)	(48,067)	1,003	-	48,068	-
	<u>\$ (539,781)</u>	<u>\$ (477,802)</u>	<u>\$ 61,979</u>	<u>\$ -</u>	<u>\$ 477,802</u>	<u>\$ -</u>

### D. Compensated absences

Compensated absences activity for the year ended June 30, 2023 was as follows:

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Current Portion
Compensated absences	<u>\$ 1,107,428</u>	<u>\$ 750,984</u>	<u>\$ 749,208</u>	<u>\$ 1,109,204</u>	<u>\$ 277,301</u>

Due to the current financial resources focus of the governmental funds, only the portion of the accrued compensated absences related to current year retirements or resignations is recorded on the balance sheet. However, there was no pending amount as of June 30, 2023. The entire balance is reported on the government-wide Statement of Net Position. Also, for the governmental activities, compensated absences are generally liquidated by the General Fund.

## Notes to Basic Financial Statements

### E. Capital assets

Capital asset activity for governmental activities for the year ended June 30, 2023 was as follows:

Description	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 3,390,740	\$ -	\$ -	\$ 3,390,740
Work in progress	852,413	77,357	(852,413)	77,357
Total non-depreciable assets	4,243,153	77,357	(852,413)	3,468,097
Capital assets, being depreciated:				
Buildings and improvements	15,616,049	-	-	15,616,049
Fire apparatus and other vehicles	7,441,120	1,257,748	(64,783)	8,634,085
Equipment	2,676,922	56,909	(35,895)	2,697,936
Total depreciable capital assets	25,734,091	1,314,657	(100,678)	26,948,070
Less accumulated depreciation for:				
Buildings and improvements	(6,226,322)	(477,196)	-	(6,703,518)
Fire apparatus and other vehicles	(5,670,579)	(363,283)	64,783	(5,969,079)
Equipment	(2,005,208)	(156,888)	35,895	(2,126,201)
Total accumulated depreciation	(13,902,109)	(997,367)	100,678	(14,798,798)
Total capital assets, net of depreciation	\$ 16,075,135	\$ 394,647	\$ (852,413)	\$ 15,617,369

The District acquired two asset donations totaling \$38,623; a Patriot dump trailer from Oregon State Fire Marshal's Office for \$10,530 and an Artic Compressor from Cascade Fire for \$28,093.

### F. Interfund transfers

Interfund activity is reported as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements. Interfund transfers for the year ended June 30, 2023 is as follows:

Interfund Transfers	Transfers In	Transfers Out
General Fund		\$ 55,000
Capital Projects Fund	\$ 55,000	
Total transfers	\$ 55,000	\$ 55,000

The transfer to the Capital Projects Fund was identified in the budget process to help offset the expenditures of budgeted apparatus and to provide funding for future identified capital expenditures and projects. No interfund receivables or payables resulted from the transfers presented above.

## Notes to Basic Financial Statements

### G. Long-term liabilities

The District had the following long-term liabilities for the fiscal year ended June 30, 2023:

- On July 9, 2019 the District acquired a full faith and credit obligation in the form of a bank financing agreement through JPMorgan Chase Bank, NA. The debt was attained for constructing and furnishing a new fire station. The amount of the note was \$4,028,000. The interest rate on this note is 2.09% and is for a ten-year term. Principal and interest payments are due January 1 and July 1 through July 1, 2029.

#### Legal debt margin

The District is subject to a debt limit of 1.25 percent of the real market value of all taxable property within its jurisdictional boundaries. At June 30, 2023 that amount was \$123,602,739. As of June 30, 2023 the District had no bonded debt applicable to the limit but did have \$2,710,000 in outstanding Full Faith and Credit Obligations.

#### Changes in long-term liabilities

Changes in the District's long-term liabilities for the year ended June 30, 2023 are as follows:

	Balance at July 1, 2022	Additions	Reductions	Balance at June 30, 2023	Due Within One Year
Full Faith and Credit Obligations Series 2019	\$ 3,096,000	\$ -	\$ 386,000	\$ 2,710,000	\$ 394,000
Total	<u>\$ 3,096,000</u>	<u>\$ -</u>	<u>\$ 386,000</u>	<u>\$ 2,710,000</u>	<u>\$ 394,000</u>

Principal and interest obligations for each of the next five years and five-year increments after that are as follows:

		Financing Agreement Full Faith and Credit Obligations 2019 Series		Total	
		Principal	Interest	Principal	Interest
Year Ended June 30,					
2024	\$	394,000	\$ 54,591	\$ 394,000	\$ 54,591
2025		402,000	46,314	402,000	46,314
2026		410,000	37,871	410,000	37,871
2027		418,000	29,260	418,000	29,260
2028		428,000	20,472	428,000	20,472
2029-30		658,000	13,804	658,000	13,804
	\$	<u>2,710,000</u>	<u>\$ 202,312</u>	<u>\$ 2,710,000</u>	<u>\$ 202,312</u>

### H. Employee retirement systems and pension plan

#### Employee retirement pension plan

**Plan description** - Employees of the District are provided with pensions through the Oregon Public Employees Retirement System (PERS), a cost-sharing multiple-employer defined benefit pension plan. The Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system. All benefits of the system are established by the legislature pursuant to ORS Chapters 238 and 238A. The Tier One/Tier Two Retirement Benefit plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003. The Pension Program established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003.

PERS issues a publicly available Comprehensive Annual Financial Report and actuarial valuations that can be obtained at <https://www.oregon.gov/pers/EMP/Pages/Actuarial-Financial-Information.aspx> or by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, Oregon 97281-3700, or by calling (503) 598-7377.

#### Benefits provided

##### 1. ORS Chapter 238 Tier One/Tier Two Retirement Benefits

**Pension benefits** – The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or became an active member at age 50.

For general service employees in Tier One the retirement age is 58 and for Tier Two employees the retirement age is 60, or 30 years of service, whichever comes first. For police and fire employees in both Tier One and Two plans, the minimum retirement age is 55 or age 50 with 25 years of service. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

**Death benefits** – Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- The member was employed by a PERS employer at the time of death
- The member died within 120 days after termination of PERS-covered employment
- The member died as a result of injury sustained while employed in a PERS-covered position
- The member was on an official leave of absence from a PERS-covered position at time of death



## Notes to Basic Financial Statements

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**Disability benefits** – A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

**Benefit changes after retirement** – Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the cost-of-living changes will vary based on the amount of the annual benefit and years in which the benefit was earned.

### 2. ORS Chapter 238A OPSRP Retirement Benefits

**Pension benefits** – The Oregon Public Service Retirement Plan (OPSRP) is the defined benefit pension plan that provides benefits to members hired on or after August 29, 2003. Benefits under this portion of OPSRP provided a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age.

Police and fire members: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

**Death benefits** – Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

**Disability benefits** – A member who has accrued ten or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

## Notes to Basic Financial Statements

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**Benefit changes after retirement** – Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the cost-of-living changes will vary based on the amount of the annual benefit.

### 3. Individual Account Program (IAP)

In the 2003 legislative session, the Oregon Legislative Assembly created a successor plan for PERS. Beginning January 1, 2004 all PERS member contributions go into the IAP portion of PERS. The new plan consists of the defined benefit pension plans and a defined contribution plan (the IAP). Existing members' retain their PERS accounts, but all future member contributions go into the IAP portion of the plan. Earnings are based on actual market returns.

**Pension benefits** – An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, or 20-year period, or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

**Death benefits** – Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

**Recordkeeping** – PERS contracts with VOYA Financial to maintain IAP participant account records.

**Contributions** – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates for the two-year period were based on the December 31, 2019 actuarial valuation. The rates are based on a percentage of payroll and became effective July 1, 2021.

The District's rates for the year ended June 30, 2023 were 24.17 percent of payroll for PERS Tier One and Tier Two general service and police and fire members, 18.82 percent for OPSRP police and fire members, and 14.46 percent for OPSRP general service members. Covered employees are required to contribute six percent of their salary to their individual account program. The contribution requirements for the plan members and the District are established by ORS Chapter 238 and may only be amended by an act of the Oregon Legislature.

Employer contributions for the year ended June 30, 2023 was \$1,695,199.

## Notes to Basic Financial Statements

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

**Proportionate Share Allocation Methodology** - The basis for the employer's proportion is actuarially determined by comparing the employer's projected long-term contribution effort to the Plan as a percentage of the total projected long-term contribution effort of all employers. The contribution rate for every employer has at least two major components; Normal Cost Rate and Unfunded Actuarial Liability (UAL) Rate.

At June 30, 2023, the District reported a liability of \$11,125,525 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members of the cost sharing pool, actuarially determined. At June 30, 2023 and 2022 the District's proportionate share was 0.07265883 percent and 0.06795876 percent respectively.

For the year ended June 30, 2023, the District recognized pension expense of \$1,248,116 for the defined benefit portion of the pension plan. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows and Inflows of Resources	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 540,054	\$ 69,381
Changes of assumptions	1,745,655	15,948
Net difference between projected and actual earnings on pension plan investments	-	1,989,029
Changes in District's proportionate share	850,499	827,135
Differences between District contribution and proportionate share of system contributions	54,968	1,334,529
Subtotal	3,191,176	4,236,022
District contributions subsequent to the measurement date	1,776,161	
Total	\$ 4,967,337	\$ 4,236,022

Deferred outflows of resources related to pensions of \$1,776,161 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, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense/ (income) as follows:

Year ended June 30:	
2024	\$ (186,119)
2025	(548,320)
2026	(1,081,489)
2027	804,213
2028	(33,131)
Total	\$ (1,044,846)

## Notes to Basic Financial Statements

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**Actuarial Valuations** - The employer contribution rates effective July 1, 2021, through June 30, 2023, were set using the entry age normal actuarial cost method.

For the ORS 238 Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), and (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years.

For the ORS 238A OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an actuarially determined amount for funding a disability benefit component, and (3) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

### Actuarial Methods and Assumptions

Valuation Date	December 31, 2020
Measurement Date	June 30, 2022
Experience Study	2020, published July 10, 2021
Actuarial assumptions:	
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 adjustment (COLA)	Blend of 2.00% COLA and graded COLA (1.25% to 0.15%) in accordance with <i>Moro</i> decision; blended based on service.
Mortality	<b>Healthy retirees and beneficiaries:</b> 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.  <b>Active members:</b> Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.  <b>Disabled retirees:</b> Pub-2010 Disable Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

# Notes to Basic Financial Statements

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts 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 above are based on the 2020 Experience Study, which reviewed experience for the four-year period ended on December 31, 2020.

**Discount Rate** – The discount rate used to measure the total pension liability was 6.90 percent. 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 plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of net pension (asset)/liability	\$ 19,730,156	\$ 11,125,525	\$ 3,923,846

**Long-Term Expected Rate of Return** – To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) 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-thinking capital market economic model. Information on 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 summarized in the tables on the following page:

## Notes to Basic Financial Statements

### Long-Term Expected Rate of Return

Asset Class / Strategy	OIC Policy Range				OIC Target Allocation	
Debt Securities	15.0	%	25.0	%	20.0	%
Public Equity	25.0		35.0		30.0	
Real Estate	7.5		17.5		12.5	
Private Equity	15.0		27.5		20.0	
Risk Parity	0.0		3.5		2.5	
Real Assets <sup>2</sup>	2.5		10.0		7.5	
Diversifying Strategies <sup>2</sup>	2.5		10.0		7.5	
Opportunity Portfolio <sup>1</sup>	0.0		5.0		0.0	
Total					100.0	%

<sup>1</sup> Opportunity Portfolio is an investment strategy in which it may be invested up to 5% of total plan net position.

<sup>2</sup> In October 2021 the Alternative Portfolio was split into Real Assets and Diversifying Strategies.

Asset Class	Target Allocation <sup>1</sup>		Annual Arithmetic Return <sup>2</sup>		20-Year Annualized Geometric Mean		Annual Standard Deviation	
Global Equity	30.62	%	7.11	%	5.85	%	17.05	%
Private Equity	25.50		11.35		7.71		30.00	
Core Fixed Income	23.75		2.80		2.73		3.85	
Real Estate	12.25		6.29		5.66		12.00	
Master Limited Partnerships	0.75		7.65		5.71		21.30	
Infrastructure	1.50		7.24		6.26		15.00	
Commodities	0.63		4.68		3.10		18.85	
Hedge Fund of Funds – Multistrategy	1.25		5.42		5.11		8.45	
Hedge Fund Equity – Hedge	0.63		5.85		5.31		11.05	
Hedge Fund – Macro	5.62		5.33		5.06		7.90	
US Cash <sup>3</sup>	-2.50		1.77		1.76		1.20	
Assumed Inflation – Mean					2.40	%	1.65	%

<sup>1</sup> 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 June 2, 2021

<sup>2</sup> 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.

<sup>3</sup> Negative allocation to cash represents levered exposure from allocation to Risk Parity strategy.



## Notes to Basic Financial Statements

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**Depletion Date Projection** – GASB 68 generally requires that a blended discount rate be used to measure the Total Pension Liability. 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 period 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 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 judgement.

The following circumstances justify an alternative evaluation of sufficiency for PERS:

- 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% funded position by the end of the amortization period if future experience follows assumption.
- GASB 68 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 68 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

**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 2022, employers will report the following deferred inflows of resources and/or deferred outflows of resources:

- Difference between expected and actual experience
- Changes in assumptions
- Changes in employer proportion since the prior measurement date
- Difference between projected and actual earnings

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. Employers are required to recognize pension expense based on the balance of the closed period layers attributable to each measurement period. The average remaining service lives determined as the beginning of each measurement period are described on the following page:

## Notes to Basic Financial Statements

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Year ended June 30, 2022 – 5.5 years  
Year ended June 30, 2021 – 5.4 years  
Year ended June 30, 2020 – 5.3 years  
Year ended June 30, 2019 – 5.2 years  
Year ended June 30, 2018 – 5.2 years  
Year ended June 30, 2017 – 5.3 years

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

In addition, employers may need to recognize a difference between their actual employer contributions and their proportionate share of contributions, which is not reflected in the Schedule of Pension Amounts by Employer. GASB 68 requires employers to amortize that difference over the remaining service lives of all plan participants, including retirees, determined as of the beginning of the respective measurement period. Employer contributions made after the measurement date are also excluded from the Schedule of Pension Amounts by Employer. Appropriate treatment of such amounts is the responsibility of the employer.

**Payables to the Pension Plan** – At June 30, 2023, the District's payable to PERS for defined benefit contributions was \$43,162. This amount represents legally required contributions to the plan for services incurred in the current fiscal year.

### I. Other postemployment benefit (OPEB) obligations

#### 1. Health Benefit Retiree Program – Single Employer Plan

**Plan description** – The District maintains only a single-employer retiree benefit healthcare plan that provides postemployment health benefits (medical, dental, and vision coverage) to eligible retirees and their spouses/dependents. The level of benefits provided by the plan is the same as those afforded to active employees. As of June 30, 2023 there was 70 active employees and four retirees included in the plan. In order for the retiree to be eligible to receive benefits they must retire and receive a pension from Oregon Public Employees Retirement System (PERS). Eligibility requirements for retirement under Oregon PERS are as follows: General Service Tier One or Tier Two employees - age 60 or any age with 30 years; Police and Fire Tier One or Tier Two employees - age 50 with 25 years or age 55; OPSRP General Service employees - age 65 or 58 with 30 years of service, and OPSRP Police and Fire – age 53 with 25 years of service or age 60.

The District's post-retirement healthcare plan is established in accordance with Oregon Revised Statutes (ORS) 243.303, which requires that retirees be allowed to continue their health care coverage at their own expense. ORS stipulates that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. Due to the effect of age, retiree claim costs are generally higher than claim costs for all members as a whole. The difference between retiree claims cost and the amount of retiree healthcare premiums represents the District's implicit employer contribution. The benefit duration covers all retirees and eligible dependents until Medicare eligibility, typically age 65.

## Notes to Basic Financial Statements

The District did not establish an irrevocable trust (or equivalent arrangement) to account for the plan. The amortization period for this plan is closed. The plan is accounted for on a flow of economic resources measurement focus and uses the accrual basis of accounting. Benefits are recognized when incurred.

**Funding policy** – The benefits from this program are paid by the retired employees on a self-pay basis and the required contribution is based on projected pay-as-you go financing requirements. There is no obligation on the part of the District to fund these benefits in advance, therefore no funds within the general fund have been used to liquidate other postemployment benefit obligations.

**Valuation Using the Alternative Measurement Method** – The total OPEB liability of \$1,606,309 and components of OPEB expense as of June 30, 2023, were determined using the date of the latest actuarial valuation of June 30, 2023. Significant actuarial assumptions used in the valuation included:

- A 4.13 percent interest discount based on the June 2023 rate in the 20-year municipal bond index published by Standard and Poor's.
- Medical insurance premium and early retirement premium annual trend – 4.8% initial annual increase in 2024, reduced each year thereafter by 0.10 to a floor of 4.2% in year's seven following.
- Dental insurance premium annual trend – 3.5% annual increase in 2023 and 2024, reduced to 3.0% all years thereafter.
- Retirement rates - the assumed rates of retirement for Jackson County Fire District 3 employees covered by this Plan are based on the average eligibility age for public safety employees in the police and fire unit under OPERS.
- An assumed general inflation rate of 3% is used for all future years.
- Annual salary increases for employees are assumed to be 3% for all future years.
- Mortality rates based on Pub-2010 Public Retirement Plans Mortality Tables, with mortality improvement projected for 10 years.

Plan expenses other than benefit payments are not valued. The Plan is currently “unfunded” as defined by relevant GASB statements. The Plan does not issue stand-alone financial reports.

For the year ended June 30, 2023, the District recognized OPEB expense of \$29,006.

The following table shows the components of the District's annual OPEB liability for the fiscal year ended June 30, 2023, the amount actually contributed to the plan, and changes in the District's net OPEB obligation to the Retiree Health Plan:

	<b>Change in Total OPEB Liability</b>
Total OPEB (asset)/liability at June 30, 2022	\$ 1,577,303
Effect of Economic/Demographic Gains(losses)	(78,785)
Service cost	47,305
Interest on Total OPEB liability	66,447
Change in assumptions	(5,961)
Total OPEB liability at June 30, 2023	<u>\$ 1,606,309</u>

Gains and losses related to changes in total OPEB liability are recognized in OPEB expense systematically over time.

## Notes to Basic Financial Statements

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate** – The following represents the total OPEB liability calculated using the discount rate of 4.13 percent, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
Total OPEB liability on June 30, 2023	\$ 1,766,227	\$ 1,606,309	\$ 1,467,706

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates** – The following represents the total OPEB liability of the District, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Current Health Care Trend Rates	1% Increase
Total OPEB liability on June 30, 2023	\$ 1,441,909	\$ 1,606,309	\$ 1,797,631

### OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the District recognized OPEB expense of \$29,006. As previously stated, the District has adopted a pay-as-you go funding method and does not have OPEB assets in a trust, therefore no deferred outflows of resources and deferred inflows of resources are recognized.

## 2. PERS Retirement Health Insurance Account (RHIA) under OPEB

**Plan description** – The District is a participating employer in the Oregon Public Employees Retirement System (PERS) Retirement Health Insurance Account (RHIA), a cost-sharing multiple-employer defined benefit other postemployment benefit plan (OPEB) established under Oregon Revised Statutes 238.420. The RHIA plan currently serves 812 participating employers and is closed to new members hired on or after August 29, 2003.

**Benefits provided** – ORS 238.420 authorizes a payment of up to \$60 from RHIA toward the monthly cost of health insurance for eligible PERS members. To be eligible to receive this monthly payment toward the 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.

## Notes to Basic Financial Statements

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**Death benefits** – A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS, or (2) was insured at the time the member died and the member retired before May 1, 1991.

**Contributions** – For the year ended June 30, 2022, PERS employers contributed 0.06 percent of PERS covered salaries for Tier One and Tier Two members to fund the normal cost portion of RHIA benefits.

Employer contributions are advance-funded on an actuarially determined basis. There is no inflation assumption for RHIA postemployment benefits because the payment amount is set by statute and is not adjusted for increases in healthcare costs. The number of active plan RHIA participants receiving benefits was 41,718 for fiscal year ended June 30, 2022, and there were 38,259 active and 12,409 inactive members who meet the requirements to receive RHIA benefits when they retire.

All subsidy payments from RHIA are initially deposited in the Standard Retiree Health Insurance Account, and subsequently remitted to the appropriate PERS health plan.

**Plan Audited Financial Report** – RHIA is administered by the Oregon Public Employees Retirement Board (OPERB). The comprehensive annual financial report of the funds administered by the OPERB may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, Oregon 97281-3700, by calling (888) 320-7377, or by accessing the PERS website at [www.oregon.gov/pers](http://www.oregon.gov/pers).

### **OPEB Liabilities, OPEB Asset, and Deferred Outflows and Inflows of Resources**

At June 30, 2023, the District reported an asset of \$228,944 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2022, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2020. The District's proportion of the net OPEB asset was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined.

**Proportionate share allocation methodology** – The basis for the employer's proportion 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.

If the employer did not make contributions during the fiscal year, their proportionate share will be set to zero and the employer will be allocated no proportionate share of OPEB amounts. At June 30, 2023 and 2022 the District's proportion was 0.06443050 percent and 0.07968937 percent, respectively.

## Notes to Basic Financial Statements

For the year ended June 30, 2023, the District recognized OPEB income of \$33,079. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Deferred Inflows and Outflows - PERS OPEB (RHIA) Plan</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 6,204
Changes in assumptions	1,793	7,631
Net difference between projected and actual earnings on OPEB plan investments	-	17,460
Changes in proportionate share	23,244	17,469
Subtotal	25,037	48,764
District contributions subsequent to the measurement date	1,765	
Total	<u>\$ 26,802</u>	<u>\$ 48,764</u>

Deferred outflows of resources related to pensions of \$1,765 resulting from District contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ending June 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to OPEB's will be recognized in OPEB expense/ (income) as follows:

	<b>Deferred Outflows/ (Inflows) of Resources</b>
<u>Fiscal Year Ending</u>	
2024	\$ (15,421)
2025	(2,881)
2026	(11,018)
2027	5,593
Total	<u>\$ (23,727)</u>

## Notes to Basic Financial Statements

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**Actuarial methods and assumptions** – The total OPEB asset in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	December 31, 2020
Measurement Date	June 30, 2022
Experience Study	2020, published July 20, 2021
Actuarial assumptions:	
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%
Healthcare cost trend rate	Not applicable
Mortality	<b>Healthy retirees and beneficiaries:</b> 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.  <b>Active members:</b> Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.  <b>Disabled retirees:</b> Pub-2010 Disable Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

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 above are based on the 2020 Experience Study, which reviewed experience for the four-year period ended on December 31, 2020.

**Discount rate** – The discount rate used to measure the total OPEB liability at June 30, 2022 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 was applied to all periods of projected benefit payments to determine the total OPEB asset.



## Notes to Basic Financial Statements

**Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate** – The following represents the District's proportionate share of the net OPEB asset calculated using the discount rate of 6.90 percent, as well as what the District's share of the net OPEB liability/ (asset) would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of net OPEB liability/ (asset)	\$ (206,343)	\$ (228,944)	\$ (248,319)

**Long-term expected rate of return** – To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both actuary's capital market assumptions team and the Oregon Investment Council (OIC) 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 forward-looking capital market economic model. Information on 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 summarized in the following tables:

Asset Class / Strategy	OIC Policy Range		OIC Target Allocation
Debt Securities	15.0 %	25.0 %	20.0 %
Public Equity	25.0	35.0	30.0
Real Estate	7.5	17.5	12.5
Private Equity	15.0	27.5	20.0
Risk Parity	0.0	3.5	2.5
Real Assets <sup>2</sup>	2.5	10.0	7.5
Diversifying Strategies <sup>2</sup>	2.5	10.0	7.5
Opportunity Portfolio <sup>1</sup>	0.0	5.0	0.0
Total			100.0 %

<sup>1</sup> Opportunity Portfolio is an investment strategy and it may be invested up to 5% of total plan net position.

<sup>2</sup> In October 2021 the Alternative Portfolio was split into Real Assets and Diversifying Strategies.

## Notes to Basic Financial Statements

### Long-Term Expected Rate of Return <sup>1</sup>

Asset Class	Target Allocation	Annual Arithmetic Return <sup>2</sup>	Compound Annual Geometric Return	Standard Deviation
Global Equity	30.62 %	7.11 %	5.85 %	17.05 %
Private Equity	25.50	11.35	7.71	30.00
Core Fixed Income	23.75	2.80	2.73	3.85
Real Estate	12.75	6.29	5.66	12.00
Master Limited Partnerships	0.75	7.65	5.71	21.30
Infrastructure	1.50	7.24	6.26	15.00
Commodities	0.63	4.68	3.10	18.85
Hedge Fund of Funds – Multistrategy	1.25	5.42	5.11	8.45
Hedge Fund Equity – Hedge	0.63	5.85	5.31	11.05
Hedge Fund – Macro	5.62	5.33	5.06	7.90
US Cash <sup>3</sup>	-2.50	1.77	1.76	1.20
Assumed Inflation – Mean			2.40 %	1.65 %

<sup>1</sup> 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 June 2, 2021.

<sup>2</sup> 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.

<sup>3</sup> Negative allocation to cash represents levered exposure from the allocation to Risk Parity strategy.

### J. Deferred compensation plan

The District offers employees a deferred compensation plan in accordance with Internal Revenue Code Section 457(b). The plan, available to all District employees, permits them to defer a portion of their salary until future years. So long as the employee is contributing to the 457(b) plan the District will make a contribution after four years of service into a 401(a) plan ranging from one to four percent calculated on base salary and based on the number of years of service. For non-represented employees, the District will make an additional contribution into the 401(a) plan of either four percent, 2.5 percent, or one percent depending on the position and providing that the employee is contributing at least the equivalent. The District's total contribution for the year ending June 30, 2023 was \$300,659.

### K. Risk management

The District is exposed to various risk of loss related to torts, theft or damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters for which the District, through its General Fund, purchases workers' compensation and commercial liability insurance. Deductibles are generally at \$1,000 and natural disasters such as flood and earthquake have a deductible of two percent of the actual cash value of the covered property. During the current year, there were no significant reductions of insurance coverage from the prior year in any major category of coverage. Insurance settlements have not exceeded insurance coverage during any of the past three fiscal years.

## Notes to Basic Financial Statements

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### **L. Property tax limitation**

The State of Oregon has a constitutional limit on property taxes for governmental operations. Under the limitation, tax revenue is separated into those for local government and those for public schools. The limitation, known as Measure 5 and passed by Oregon voters in 1990, specifies a maximum rate for all local government operations of \$10.00 per \$1,000 of real market value and for school operations \$5.00 per \$1,000 of real market value.

In May 1997 voters approved Measure 50 which created an assessed valuation for each property that property tax calculations have now since been based on. The base threshold was determined by rolling back the real market value of a property in 1997 to 90 percent of the real market value for the 1995-96 tax year and limited future increases of the new taxable assessed value to three (3) percent per year, except for major improvements. Under Measure 50, taxes are levied on the assessed value of the property, although the real market value of the property is still tracked by the County Assessor. If a property has a real market value and an assessed value that are close together, and there are several taxing districts imposing rates, then the Assessor must compress the rates down proportionally to keep under the \$10.00 limit as required for under Measure 5. At June 30, 2023 the total local government tax rates within the District had some areas that exceeded the \$10.00 rate limit after the Assessors calculation between each property's real and assessed value. This "compression" value equated to \$14,594.

### **M. Related party transactions**

A related party is an entity that can control or significantly influence the management or operating policies of another entity to the extent one of the entities may be prevented from pursuing its own interests. A related party may be any party the entity deals with that can exercise control. Examples of related parties include (a) affiliates, (b) investments accounted for under the equity method, (c) trusts for the benefit of employees (for example, pension or profit-sharing trusts), and (d) principal owners and members of management and their immediate families.

There was no material related party transactions during the fiscal year ended June 30, 2023.

### **N. Tax abatements granted by other governments**

GASB Statement No. 77, *Tax Abatement Disclosures* establishes financial reporting standards for tax abatement agreements entered into by state and local governments. For the purpose of this disclosure, the District has placed a quantitative threshold of \$5,000 or greater in property tax revenue losses resulting from tax abatement programs. The District's property tax revenues were materially impacted by one tax abatement program managed by Jackson County for fiscal year ended June 30, 2023.

### ***Enterprise zone***

Enterprise zones can be adopted by counties and cities to encourage business development and primarily function to exempt businesses from local property taxes on new investments for a specified amount of time, which varies among the different zone programs. To qualify for an enterprise zone exemption, the business agrees to increase full-time employment by 10 percent, have no concurrent job losses outside the zone boundary, maintain minimum employment levels, enter into a first-source agreement with local job training providers and satisfy any additional conditions. The District's reduction in property tax revenues from Enterprise Zones adopted by Jackson County is estimated at \$154,849 for fiscal year 2023.

## **Notes to Basic Financial Statements**

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### **O. Commitments and contingencies**

The District has adopted the reimbursement method of contributions to the Oregon State Employment Department in lieu of unemployment contributions at a set rate of payroll. Under this method, the District reimburses directly to the Oregon Unemployment Fund the actual amount of regular benefits paid to former District employees. The District had one unemployment claim at fiscal year ended June 30, 2023.

On July 20, 2023 the District approved an emergency communications contract with Emergency Communications of Southern Oregon (ECSO) covering the year ending June 30, 2024. The amount of the contract is \$460,940 which requires quarterly payments of \$115,235.

### **P. Grants and donations**

In November of 2020 the received a grant from FEMA under the Staffing for Adequate Fire and Emergency Response (SAFER) program. This is a four-year grant ending November 13, 2024 totaling \$548,860 over the term of the grant.

In May of 2023 the District was awarded a community risk reduction grant from the Oregon State Fire Marshal to mitigate wildfire risk within our communities served. The grant was advanced funded in its entirety on June 14, 2023 in the amount of \$350,000 and is recognized as deferred revenue until actual grant expenditures are made. The grant period is from May 22, 2023 until May 31, 2026.

### **Q. Subsequent events**

The District's employer contribution rates to PERS changed effective July 1, 2023 for the two-year period ending June 30, 2025. The rates are based on the actuarial valuation dated December 31, 2021. Rates for Tier One and Tier Two members increased from 24.17 percent of payroll to 25.94 percent. Rates for OPSRP general service members increased from 14.46 percent of payroll to 16.31 percent and rates for OPSRP police and fire members increased from 18.82 percent payroll to 21.10 percent.

The District has evaluated subsequent events through November 29, 2023. November 29, 2023 is the same date as the accountant's report which is based upon the completion of the Management's Discussion and Analysis section of the financial statements. The report was available to be issued on November 29, 2023 after the completion of the Management's Discussion and Analysis section.

# Required Supplementary Information





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## Required Supplementary Information

### JACKSON COUNTY FIRE DISTRICT 3 Schedule of the District's Proportionate Share of the Net Pension (Asset)/ Liability Oregon Public Employee Retirement Pension Plan (PERS) Last Ten Fiscal Years

Fiscal Year Ended <sup>(1)</sup>	District's Proportion of the Net Pension (Asset)/ Liability <sup>(2)</sup>	District's Proportionate Share of the Net Pension (Asset)/ Liability <sup>(2)</sup>	District's Covered Payroll	District's Proportionate Share of the Net Pension (Asset)/ Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension (Asset)/ Liability <sup>(2)</sup>
2014					
2015	0.0611181	\$ (1,385,373)	\$ 6,299,847	(21.99) %	103.6 %
2016	0.0798836	4,586,488	6,298,572	72.82	91.9
2017	0.0753906	11,317,893	6,436,958	175.83	80.5
2018	0.0771107	10,394,564	6,511,028	159.65	83.1
2019	0.0698898	10,587,398	6,525,930	162.24	82.1
2020	0.0774917	13,404,213	6,881,610	194.78	80.2
2021	0.0723681	15,793,224	7,090,991	222.72	75.8
2022	0.0679587	8,132,271	7,641,866	106.42	87.6
2023	0.0726588	11,125,525	8,090,476	137.51	84.5

<sup>1</sup> Data not available prior to 2015. Ten-year trend information required by GASB Statement 68 will be presented prospectively.

<sup>2</sup> Actuarial information provided by the actuary for PERS.



## Required Supplementary Information

**JACKSON COUNTY FIRE DISTRICT 3**  
Schedule of the District's Pension Plan Contributions  
**Oregon Public Employee Retirement Pension Plan (PERS)**  
Last Ten Fiscal Years

Fiscal Year Ended <sup>(1)</sup>	Contractually Required Contributions <sup>(2)</sup>	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency/ (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2014					
2015	\$ 611,771	\$ 642,406	\$ (30,635)	\$ 6,298,572	10.20 %
2016	691,491	741,502	(50,011)	6,436,958	11.52
2017	730,984	759,960	(28,976)	6,511,028	11.67
2018	1,003,547	1,070,384	(66,837)	6,525,930	16.40
2019	1,129,360	1,108,761	20,599	6,881,610	16.11
2020	1,409,386	1,437,516	(28,130)	7,090,991	20.27
2021	1,522,623	1,536,303	(13,680)	7,641,866	20.10
2022	1,513,898	1,623,896	(109,998)	8,090,476	20.07
2023	1,776,161	1,695,199	80,962	8,447,241	20.07

<sup>1</sup> Data not available prior to 2015. Ten-year trend information required by GASB Statement 68 will be presented prospectively.

<sup>2</sup> Actuarial information provided by the actuary for PERS.

## Required Supplementary Information

**JACKSON COUNTY FIRE DISTRICT 3**  
Schedule of the District's Total OPEB Liability <sup>(1)</sup>  
**Single-Employer Plan – JCFD3 Health Benefit Retiree Program**  
Last Ten Fiscal Years

**Schedule of Total OPEB Liability (TOL)**

Fiscal Year Ended June 30,	Total OPEB Liability	Covered Payroll	TOL as a Percentage of Covered Payroll
2014			
2015			
2016			
2017	\$ 3,579,106	\$ 6,511,028	54.97%
2018	1,349,763	6,525,930	20.68%
2019	1,328,537	6,881,610	19.31%
2020	1,465,477	7,090,991	20.67%
2021	1,463,339	7,641,866	19.15%
2022	1,577,303	8,090,476	19.50%
2023	1,606,309	8,447,241	19.02%

**Schedule of Changes in Total OPEB (Asset)/ Liability**

Fiscal Year Ended June 30,	TOL Beginning Balance	Service Costs	Interest on the TOL	Benefit Payments	Changes of Assumptions	Experience (Gain) or Loss	TOL Ending Balance
2014							
2015							
2016							
2017							
2018	\$ 3,579,106	\$ 439,735	\$ 100,471	\$ -	\$ (121,290)	\$ (2,648,259)	\$ 1,349,763
2019	1,349,763	41,217	47,989	-	10,882	(121,314)	1,328,537
2020	1,328,537	40,895	46,013	-	94,966	(44,934)	1,465,477
2021	1,465,477	40,895	40,069	-	-	(83,102)	1,463,339
2022	1,463,339	52,420	40,319	-	(227,798)	249,023	1,577,303
2023	1,577,303	47,305	66,447	-	(5,961)	(78,785)	1,606,309

<sup>1</sup> These schedules are to be presented as a 10-year schedule under the requirements of GASB Statement 75; however until a full 10-year trend has been compiled information is only for the years for which the required supplementary informatio is available.

## Required Supplementary Information

### JACKSON COUNTY FIRE DISTRICT 3

Schedule of the District's Proportionate Share of the Net OPEB (Asset)/ Liability <sup>(1)</sup> and Schedule of the District's OPEB Plan Contributions <sup>(1)</sup>

### Oregon Public Employee Retirement Pension Plan (PERS - RHIA)

Last Ten Fiscal Years

#### Schedule of the District's Proportionate Share of the Net OPEB (Asset)/ Liability

Fiscal Year Ended June 30,	District's Proportion of the Net OPEB (Asset)/ Liability <sup>(2)</sup>	District's Proportionate Share of the Net OPEB (Asset)/ Liability <sup>(2)</sup>	District's Covered Payroll	District's Proportionate Share of the Net OPEB (Asset)/ Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Postion as a Percentage of the Total OPEB (Asset)/ Liability <sup>(2)</sup>
2014					
2015					
2016					
2017	0.06832694	\$ 18,555	\$ 6,436,958	0.29%	94.2 %
2018	0.06342664	(26,471)	6,511,028	-0.41%	108.9
2019	0.06304601	(70,376)	6,525,930	-1.08%	124.0
2020	0.06739506	(130,232)	6,881,610	-1.89%	144.4
2021	0.04509334	(91,882)	7,090,991	-1.30%	150.1
2022	0.07968937	(273,654)	7,641,866	-3.58%	183.9
2023	0.06443050	(228,994)	8,090,476	-2.83%	183.9

<sup>1</sup> Data not available prior to 2017. Ten-year trend information required by GASB Statement 75 will be presented prospectively.

<sup>2</sup> Actuarial information provided by the actuary for PERS.

#### Schedule of the District's OPEB Plan Contributions

Fiscal Year Ended June 30,	Contractually Required Contributions <sup>(2)</sup>	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency/ (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2014					
2015					
2016					
2017	\$ 31,577	\$ 31,577	\$ -	\$ 6,511,028	0.48%
2018	30,527	30,527	-	6,525,930	0.47%
2019	33,042	33,042	-	6,881,610	0.48%
2020	3,220	3,220	-	7,090,991	0.05%
2021	2,132	2,132	-	7,641,866	0.03%
2022	1,588	1,588	-	8,090,476	0.02%
2023	1,765	1,765	-	8,447,241	0.02%

<sup>1</sup> Data not available prior to 2017. Ten-year trend information required by GASB Statement 75 will be presented prospectively.

<sup>2</sup> Actuarial information provided by the actuary for PERS.

### Pension Plans

#### 1. Oregon Public Employee Retirement Pension Plan (PERS)

##### Changes in Assumption, Actuarial Methods and Allocation Procedures

The key changes in the December 31, 2020 actuarial valuation which was used in the pension calculations and amounts reported for the fiscal year ended June 30, 2023 are described below. Additional detail along with comprehensive list of changes in methods and assumptions from the December 31, 2019 actuarial valuation can be found at: <https://www.oregon.gov/PERS/Pages/Financials/Previous-Years.aspx>

##### Changes in Actuarial Methods and Allocation Procedures

Senate Bill 1049 was signed into law in June 2019 and requires a one-time re-amortization of Tier 1/Tier 2 UAL over a closed 22-year period at the December 31, 2019 rate-setting actuarial valuation, which will set actuarial determined contribution rates for the 2021-2023 biennium.

### Other Post-Employment Benefit Plans

#### 1. Health Benefit Retiree Program – Single Employer Plan

There are no assets accumulated in a trust that meets the criteria of GASB 75 to pay related benefits.

- Valuation date: June 30, 2023
- Actuarial cost method: Entry age normal
- Interest discount rate: 4.13%
- Medical insurance premium and early retirement premium annual trend: 4.7% initial annual increase in 2023, reducing to 4.3% over seven years
- Dental insurance premium annual trend: 3.5% initial annual increase in 2023, reducing to 3.0% over 2 years
- Participation rates: 10% of eligible employees will continue medical and dental coverage after retirement. Of those 100% will cover a spouse.

#### 2. Oregon Public Employee Retirement OPEB Plan – PERS RHIA

##### Changes in Actuarial Methods and Allocation Procedures

There were no key changes implemented with the December 31, 2020 actuarial valuation.

##### Changes in Economic and Demographic Assumptions

The discount rate used to measure the total OPEB liability at June 30, 2023 was 6.90 percent. There were no changes to demographic assumptions with the December 31, 2020 actuarial valuation.

**General Fund**  
**Budgetary Comparison Schedule**  
For the Fiscal Year Ending June 30, 2023

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES</b>				
District property taxes				
Current year's levy	\$ 15,900,000	\$ 15,900,000	\$ 16,049,438	\$ 149,438
Prior years' levy	350,000	350,000	261,808	(88,192)
Total taxes	16,250,000	16,250,000	16,311,246	61,246
Other receipts				
Earnings on investments	120,000	120,000	396,531	276,531
Rental income	12,000	12,000	12,667	667
Lease receipts	55,000	55,000	49,071	(5,929)
Grants	150,000	150,000	127,484	(22,516)
State Conflagration Proceeds	1,000	1,000	95,131	94,131
Miscellaneous	123,000	123,000	176,904	53,904
Total other receipts	461,000	461,000	857,788	396,788
<b>Total revenues</b>	<b>16,711,000</b>	<b>16,711,000</b>	<b>17,169,034</b>	<b>458,034</b>
<b>EXPENDITURES</b>				
Current				
Fire Protection				
Personnel services	13,764,000	13,944,000	13,041,582	902,418
Materials and services	2,926,300	2,926,300	2,660,849	265,451
Debt service	448,700	448,700	448,700	-
<b>Total expenditures</b>	<b>17,139,000</b>	<b>17,319,000</b>	<b>16,151,131</b>	<b>1,167,869</b>
Excess (deficiency) of revenues over (under) expenditures	(428,000)	(608,000)	1,017,903	1,625,903
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating contingency	(975,000)	(795,000)	-	795,000
Loan proceeds	1,000	1,000	-	(1,000)
Proceeds from sale of equipment	1,000	1,000	527	(473)
Transfer to Capital Projects Fund	(55,000)	(55,000)	(55,000)	-
<b>Total other financing sources (uses)</b>	<b>(1,028,000)</b>	<b>(848,000)</b>	<b>(54,473)</b>	<b>793,527</b>
Net change in fund balance	(1,456,000)	(1,456,000)	963,430	2,419,430
<b>FUND BALANCES</b>				
Beginning of year - July 1, 2022	5,681,000	5,681,000	5,583,740	(97,260)
End of year - June 30, 2023	\$ 4,225,000	\$ 4,225,000	\$ 6,547,170	\$ 2,322,170

## Notes to Budgetary Comparison Schedule

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### I. BUDGETARY INFORMATION

The District budgets all funds consistent with Oregon Revised Statutes 294; Local Budget Law and generally accepted accounting principles. The District is required to budget all funds. The District's budget is prepared for each fund on the modified accrual basis of accounting consistent with generally accepted accounting principles.

Each April, the budget officer (appointed by the Board of Directors) submits a proposed budget to the Budget Committee (consisting of the Board of Directors and an equal number of citizens of the District). For all fund types, inter-fund loans are budgeted as sources and uses in accordance with state budget laws. Estimated receipts and expenditures are budgeted for by fund and object classification. Information on the past two years' actual receipts and expenditures and current-year estimates are included in the budget document.

The Budget Committee conducts public hearings for the purpose of obtaining citizens' comments, and then approves a budget and submits it to the District Board for final adoption. The approved expenditures for each fund may not be increased by more than 10 percent by the Board without returning to the Budget Committee for a second approval.

The Board of Directors adopts the budget by resolution prior to the beginning of the District's fiscal year of July 1 through June 30. After the Board adopts the budget and certifies the total of ad valorem taxes to be levied, no additional tax levy may be made for that fiscal year. The Board resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. The levels of budgetary control established by the resolution in the General Fund are at the department level, in which amounts are allocated for each object classification (i.e., personnel services, materials and services, and capital outlay). Appropriations lapse at the end of the fiscal year.

The District may change the budget throughout the year by transferring appropriations between levels of control and by adopting supplemental budgets as authorized by Oregon Revised Statutes. Unexpected additional resources may be added to the budget through the use of a supplemental budget. A supplemental budget requires hearings before the public, publication in newspapers and approval by the District Board. Expenditure appropriations may not be legally over-expended except in the case of grant receipts that could not be reasonably estimated at the time the budget was adopted and for debt service on new debt issues during the budget year. Management may transfer budget amounts between individual line items within the object classification, but cannot make changes to the object groups themselves, which is the legal level of control.

At fiscal year end June 30, 2023, the District had two supplemental budgets within the General Fund. Supplemental budget one established a new account in personnel services within the Administrative Department and appropriated funds from Contingency to fund the new position totaling \$180,000. Supplemental budget two also established a new position in personnel services within the Administrative Department through the reallocation of funds from Operations totaling \$40,000.



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# Other Supplementary Information





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**JACKSON COUNTY FIRE DISTRICT 3**  
**General Fund**  
**Detail to Budgetary Comparison Schedule**  
For the Fiscal Year Ending June 30, 2023

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>ADMINISTRATION</b>				
<b>Personnel Services</b>				
Fire Chief	\$ 161,000	\$ 161,000	\$ 162,614	\$ (1,614)
Chief Executive Officer	-	42,000	65,738	(23,738)
Staff Assistant	100	100	-	100
Finance Assistant	66,000	66,000	65,229	771
Executive Assistant	68,000	68,000	67,285	715
Chief Administrative Officer	138,000	138,000	137,190	810
People Services Administrator	99,000	99,000	97,764	1,236
Data Systems Specialist	-	27,000	26,191	809
Community Engagement Coord	63,000	63,000	60,195	2,805
Part-Time Program Asst	100	100	-	100
Overtime	1,000	1,000	-	1,000
Incentive Pay	26,000	28,000	29,664	(1,664)
Longevity Pay	5,000	5,000	11,064	(6,064)
Vehicle Allowance	12,500	12,500	7,110	5,390
Technology Stipend	3,800	3,800	4,630	(830)
Duty Accrual Payout	5,000	5,000	8,331	(3,331)
Vacation Payouts	20,000	35,000	41,179	(6,179)
Retirement (PERS)	123,000	137,000	139,781	(2,781)
Unemployment Insurance	15,000	15,000	4,382	10,618
ER Deferred Comp Contribution	41,500	47,000	94,959	(47,959)
Health and Life Insurance	110,000	123,500	119,706	3,794
HRA-VEBA Contribution	26,000	123,000	33,716	89,284
Payroll Taxes - FICA/Medicare	51,000	55,000	54,295	705
Worker's Comp Insurance	1,000	1,000	626	374
Total Personnel Services	1,036,000	1,256,000	1,231,649	24,351
<b>Materials and Services</b>				
Physicals and Vaccinations	1,000	1,000	-	1,000
Printing	18,000	18,000	13,909	4,091
Supplies; Office	10,000	10,000	7,104	2,896
Supplies; Administrative	40,000	40,000	47,504	(7,504)
Licenses and Fees	10,000	10,000	6,819	3,181
Contractual Professional Services	660,000	660,000	570,820	89,180
Community Engagement	10,000	10,000	3,845	6,155
Property Casualty Insurance	106,000	106,000	111,534	(5,534)
Mileage Reimbursements	1,000	1,000	499	501
Membership Dues	10,000	10,000	8,855	1,145
Books & Subscriptions	2,000	2,000	3,187	(1,187)
Advertising	12,000	12,000	2,583	9,417
Hiring Processes & Backgrounds	20,000	20,000	22,183	(2,183)
Postage & Shipping	10,000	10,000	5,906	4,094
Total Materials and Services	910,000	910,000	804,748	105,252
<b>Total Administration</b>	<b>\$ 1,946,000</b>	<b>\$ 2,166,000</b>	<b>\$ 2,036,397</b>	<b>\$ 129,603</b>

**JACKSON COUNTY FIRE DISTRICT 3**  
**General Fund**  
**Detail to Budgetary Comparison Schedule (continued)**  
For the Fiscal Year Ending June 30, 2023

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>OPERATIONS</b>				
<b>Personnel Services</b>				
Fire Captains	\$ 1,340,000	\$ 1,340,000	\$ 1,331,973	\$ 8,027
Fire Engineers	1,160,000	1,160,000	1,146,214	13,786
Firefighters	2,075,000	2,075,000	1,916,110	158,890
Deputy Chief	145,000	145,000	129,532	15,468
Battalion Chiefs	471,000	431,000	339,462	91,538
Administrative Assistant	60,000	60,000	56,838	3,162
Recruitment Retention Coordinator	52,000	52,000	50,957	1,043
Community Care Providers	240,000	240,000	243,432	(3,432)
Part-Time Program Asst	100	100	-	100
Overtime	645,000	645,000	752,511	(107,511)
Out of Classification Pay	75,000	75,000	63,282	11,718
Education Incentive	129,000	129,000	113,789	15,211
EMS Incentive	258,000	258,000	247,899	10,101
Longevity Pay	99,000	99,000	91,435	7,565
Holiday Pay	114,000	114,000	108,117	5,883
Technology Stipend	5,000	5,000	3,825	1,175
Duty Accrual Payout	7,500	7,500	9,352	(1,852)
Vacation Payouts	50,000	50,000	48,615	1,385
Retirement (PERS)	1,430,000	1,430,000	1,348,718	81,282
ER Deferred Comp Contribution	182,000	182,000	177,416	4,584
Health and Life Insurance	1,325,000	1,325,000	1,181,420	143,580
HRA-VEBA Contribution	258,000	258,000	257,998	2
Payroll Taxes - FICA/Medicare	530,000	530,000	492,716	37,284
Worker's Comp Insurance	125,000	125,000	124,443	557
Total Personnel Services	<u>10,775,600</u>	<u>10,735,600</u>	<u>10,236,054</u>	<u>499,546</u>
<b>Materials and Services</b>				
CAREER GROUP				
Physicals and Vaccinations	40,000	40,000	23,926	16,074
Lisences and Fees	10,000	10,000	7,452	2,548
Supplies; Operations	5,000	5,000	1,473	3,527
Supplies; Special Projects	27,000	27,000	20,844	6,156
Fire Suppression Equipment	174,500	174,500	130,931	43,569
M&R - Emergency Response Equipment	42,000	42,000	25,567	16,433
Contractual Professional Services	15,500	15,500	15,241	259
Membership Dues	1,500	1,500	895	605
Books & Subscriptions	3,000	3,000	2,060	940
STUDENT FF/VOL GROUP				
Physicals & Vaccinations	4,000	4,000	6,293	(2,293)
Uniforms and PPE	30,000	30,000	2,941	27,059
Student Firefighter Tuition	30,000	30,000	27,071	2,929
Volunteer Length of Serv Program	2,000	2,000	200	1,800
Scholarship Donations	1,000	1,000	1,000	-
Advertising and Marketing	5,000	5,000	2,215	2,785
Total Materials and Services	<u>390,500</u>	<u>390,500</u>	<u>268,109</u>	<u>122,391</u>
<b>Total Operations</b>	<u>\$ 11,166,100</u>	<u>\$ 11,126,100</u>	<u>\$ 10,504,163</u>	<u>\$ 621,937</u>

**JACKSON COUNTY FIRE DISTRICT 3**  
**General Fund**  
**Detail to Budgetary Comparison Schedule (continued)**  
For the Fiscal Year Ending June 30, 2023

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>FIRE AND LIFE SAFETY</b>				
<b>Personnel Services</b>				
Fire Marshal	\$ 132,000	\$ 132,000	\$ 134,676	\$ (2,676)
Deputy Fire Marshals	264,000	264,000	258,251	5,749
Overtime	10,000	10,000	14,581	(4,581)
Incentive Pay	21,000	21,000	23,673	(2,673)
Longevity Pay	1,000	1,000	921	79
Technology Stipend	4,000	4,000	4,080	(80)
Fire Investigator On Call Pay	20,000	20,000	16,830	3,170
Duty Accrual Payout	10,000	10,000	5,942	4,058
Vacation Payouts	5,000	5,000	6,099	(1,099)
Retirement (PERS)	105,000	105,000	102,190	2,810
ER Deferred Comp Contribution	15,500	15,500	12,176	3,324
Health and Life Insurance	106,000	106,000	97,513	8,487
HRA-VEBA Contribution	17,500	17,500	23,079	(5,579)
Payroll Taxes - FICA/Medicare	36,000	36,000	34,947	1,053
Worker's Comp Insurance	1,000	1,000	567	433
Total Personnel Services	<u>748,000</u>	<u>748,000</u>	<u>735,525</u>	<u>12,475</u>
<b>Materials and Services</b>				
Physicals & Vaccinations	3,000	3,000	1,228	1,772
Printing	4,000	4,000	84	3,916
Licenses and Fees	2,000	2,000	-	2,000
Supplies; FLS	10,000	10,000	5,491	4,509
Membership Dues	2,500	2,500	1,300	1,200
Books & Subscriptions	3,500	3,500	2,894	606
Total Materials and Services	<u>25,000</u>	<u>25,000</u>	<u>10,997</u>	<u>14,003</u>
<b>Total Fire and Life Safety</b>	<u>\$ 773,000</u>	<u>\$ 773,000</u>	<u>\$ 746,522</u>	<u>\$ 26,478</u>

**JACKSON COUNTY FIRE DISTRICT 3**  
**General Fund**  
**Detail to Budgetary Comparison Schedule (continued)**  
For the Fiscal Year Ending June 30, 2023

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>TRAINING</b>				
<b>Personnel Services</b>				
Division Chief	\$ 121,000	\$ 121,000	\$ 70,595	\$ 50,405
Overtime	60,000	60,000	55,831	4,169
Incentive Pay	10,000	10,000	9,270	730
Technology Stipend	1,000	1,000	425	575
Duty Accrual Payout	100	100	-	100
Vacation Payouts	100	100	-	100
Retirement (PERS)	39,500	39,500	27,342	12,158
ER Deferred Comp Contribution	5,000	5,000	2,872	2,128
Health and Life Insurance	26,000	26,000	17,455	8,545
HRA-VEBA Contribution	4,300	4,300	4,683	(383)
Payroll Taxes - FICA/Medicare	15,000	15,000	10,484	4,516
Worker's Comp Insurance	3,000	3,000	2,419	581
Total Personnel Services	285,000	285,000	201,376	83,624
<b>Materials and Services</b>				
Physicals and Vaccinations	1,000	1,000	477	523
Licenses and Fees	500	500	370	130
Supplies; Training & Safety	15,000	15,000	21,443	(6,443)
Training Props & Equipment	8,000	8,000	3,321	4,679
M&R; Training Equip & Props	2,000	2,000	384	1,616
Health and Wellness	5,000	5,000	2,796	2,204
Contractual Professional Services	20,000	20,000	8,675	11,325
Membership Dues	1,000	1,000	1,032	(32)
Books & Subscriptions	9,000	9,000	5,054	3,946
Meeting Travel Expenses	10,000	10,000	3,924	6,076
Training/Conferences; Admin	69,000	69,000	66,496	2,504
Training/Conferences; Board	2,500	2,500	1,958	542
Training/Conferences; Operations	23,000	23,000	43,210	(20,210)
Training/Conferences; Fire Safety	10,000	10,000	3,463	6,537
Training/Conferences; Risk Reduction	2,000	2,000	7,056	(5,056)
Training/Conferences; Volunteers	10,000	10,000	2,018	7,982
Training/Conferences; Technology	10,000	10,000	7,514	2,486
Training/Conferences; EMS	6,000	6,000	6,131	(131)
Total Materials and Services	204,000	204,000	185,322	18,678
<b>Total Training</b>	<b>\$ 489,000</b>	<b>\$ 489,000</b>	<b>\$ 386,698</b>	<b>\$ 102,302</b>

**JACKSON COUNTY FIRE DISTRICT 3**  
**General Fund**  
**Detail to Budgetary Comparison Schedule (continued)**  
For the Fiscal Year Ending June 30, 2023

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>STRATEGIC SERVICES</b>				
<b>Personnel Services</b>				
Deputy Chief	\$ 145,000	\$ 145,000	\$ 10,339	\$ 134,661
Administrative Assistant	60,000	60,000	57,876	2,124
Facilities/Logistics Tech	66,000	66,000	65,229	771
Comm Risk Captain	112,000	112,000	110,219	1,781
Part-Time Logistics Support	18,600	18,600	17,759	841
Overtime	5,000	5,000	1,629	3,371
Incentive Pay	30,500	30,500	20,702	9,798
Longevity Pay	5,000	5,000	4,248	752
Technology Stipend	3,000	3,000	3,315	(315)
Duty Accrual Payout	7,500	7,500	-	7,500
Vacation Payouts	10,000	10,000	1,111	8,889
Retirement (PERS)	97,000	97,000	61,079	35,921
ER Deferred Comp Contribution	15,000	15,000	7,476	7,524
Health and Life Insurance	120,000	120,000	73,743	46,257
HRA-VEBA Contribution	19,400	19,400	14,004	5,396
Payroll Taxes - FICA/Medicare	35,000	35,000	21,908	13,092
Worker's Comp Insurance	1,000	1,000	369	631
Total Personnel Services	750,000	750,000	471,006	278,994
<b>Materials and Services</b>				
Uniforms	55,000	55,000	39,386	15,614
Janitorial and Laundry Services	35,000	35,000	41,523	(6,523)
Medical Supplies and Equipment	80,000	80,000	83,770	(3,770)
Supplies; Facility Maintenance	5,000	5,000	4,593	407
Supplies; Logistics	2,000	2,000	309	1,691
Supplies; Station Consumables	6,000	6,000	3,064	2,936
Facility Furnishings and Appliances	17,000	17,000	18,333	(1,333)
Supplies; Facilities	13,000	13,000	5,168	7,832
Fuel and Lubricants	100,000	100,000	114,119	(14,119)
M&R - Vehicles	250,000	250,000	364,330	(114,330)
Bldgs and Grounds - WC	23,000	23,000	28,477	(5,477)
Bldgs and Grounds - CP	33,000	33,000	32,749	251
Bldgs and Grounds - DB	5,000	5,000	6,472	(1,472)
Bldgs and Grounds - SV	6,000	6,000	12,112	(6,112)
Bldgs and Grounds - GH	5,000	5,000	5,742	(742)
Bldgs and Grounds - AL	15,000	15,000	2,968	12,032
Bldgs and Grounds - EP	30,000	30,000	17,328	12,672
Bldgs and Grounds - TR	3,000	3,000	488	2,512
Bldgs and Grounds - SNC	13,000	13,000	18,460	(5,460)
Bldgs and Grounds - TC	32,000	32,000	17,052	14,948
Bldgs and Grounds - ADM	25,000	25,000	28,092	(3,092)
Bldgs and Grounds - Warehouse	2,000	2,000	2,044	(44)
Bldgs and Grounds - Fire Science Center	2,000	2,000	3,998	(1,998)
M&R - District Equipment	10,000	10,000	7,778	2,222
M&R - Appliances & Furnishings	5,000	5,000	955	4,045
Community Risk Reduction	60,000	60,000	45,993	14,007
Community Care Program	13,500	13,500	4,795	8,705
Contractual Professional Services	8,000	8,000	9,640	(1,640)
Memberships & Certifications	1,000	1,000	120	880
Subscriptions	500	500	-	500
Utilities; WC Station	35,000	35,000	37,081	(2,081)
Utilities; CP Station	23,000	23,000	24,470	(1,470)
Utilities; DB Station	14,000	14,000	8,750	5,250
Utilities; SV Station	14,000	14,000	8,369	5,631
Utilities; GH Station	14,000	14,000	11,968	2,032
Utilities; AL Station	10,000	10,000	8,792	1,208
Utilities; EP Station	23,000	23,000	24,233	(1,233)
Utilities; TR Station	5,000	5,000	3,477	1,523
Utilities; SCN Station	23,000	23,000	23,185	(185)
Utilities; Training Center	15,000	15,000	18,742	(3,742)
Utilities; Admin Bldg	37,000	37,000	36,015	985
Utilities; Fire Science Center	5,000	5,000	3,855	1,145
Total Materials and Services	1,073,000	1,073,000	1,128,795	(55,795)
<b>Total Strategic Services</b>	<b>\$ 1,823,000</b>	<b>\$ 1,823,000</b>	<b>\$ 1,599,801</b>	<b>\$ 223,199</b>



**JACKSON COUNTY FIRE DISTRICT 3**  
**General Fund**  
**Detail to Budgetary Comparison Schedule (continued)**  
For the Fiscal Year Ending June 30, 2023

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>TECHNOLOGY</b>				
<b>Personnel Services</b>				
Info Tech Administrator	\$ 106,000	\$ 106,000	\$ 104,978	\$ 1,022
Education Incentive	3,700	3,700	3,666	34
Longevity Pay	2,700	2,700	2,624	76
Technology Stipend	1,000	1,000	-	1,000
Vacation Payouts	5,000	5,000	4,845	155
Retirement (PERS)	16,500	16,500	16,089	411
ER Deferred Comp Contribution	5,700	5,700	5,760	(60)
Health and Life Insurance	15,000	15,000	14,767	233
HRA-VEBA Contribution	4,300	4,300	4,336	(36)
Payroll Taxes - FICA/Medicare	9,000	9,000	8,825	175
Worker's Comp Insurance	500	500	82	418
Total Personnel Services	169,400	169,400	165,972	3,428
<b>Materials and Services</b>				
Supplies; Computers & Technology	71,000	71,000	48,014	22,986
Supplies; Communication Devices	20,000	20,000	17,475	2,525
Licenses & Subscriptions	167,300	167,300	155,151	12,149
Technical Support	13,000	13,000	2,403	10,597
M&R; Office and Tech Equip	7,500	7,500	5,342	2,158
M&R; Communication Devices	10,000	10,000	3,346	6,654
Communication Services	35,000	35,000	31,147	3,853
Total Materials and Services	323,800	323,800	262,878	60,922
<b>Total Technology</b>	<b>\$ 493,200</b>	<b>\$ 493,200</b>	<b>\$ 428,850</b>	<b>\$ 64,350</b>

**JACKSON COUNTY FIRE DISTRICT 3**  
**General Fund**  
**Detail to Budgetary Comparison Schedule (continued)**  
For the Fiscal Year Ending June 30, 2023

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	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>DEBT SERVICE</b>				
Principal	\$ 386,000	\$ 386,000	\$ 386,000	\$ -
Interest	62,700	62,700	62,700	-
<b>Total Debt Service</b>	448,700	448,700	448,700	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 17,139,000</u>	<u>\$ 17,319,000</u>	<u>\$ 16,151,131</u>	<u>\$ 1,167,869</u>

**JACKSON COUNTY FIRE DISTRICT 3**  
**Capital Projects Fund**  
**Budgetary Comparison Schedule**  
For the Fiscal Year Ending June 30, 2023

	<b>Budget Amounts</b>		<b>Actual Amounts Budgetary Basis</b>	<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Grants	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
Donations	1,000	1,000	38,624	37,624
<b>Total revenues</b>	<u>2,000</u>	<u>2,000</u>	<u>38,624</u>	<u>36,624</u>
<b>EXPENDITURES</b>				
Capital Outlay				
Department Equipment	10,000	10,000	56,909	(46,909)
Apparatus and Vehicles	1,005,000	1,005,000	482,691	522,309
Land and Improvements	1,000	1,000	-	1,000
Building Const and Improvements	180,000	180,000	-	180,000
<b>Total expenditures</b>	<u>1,196,000</u>	<u>1,196,000</u>	<u>539,600</u>	<u>656,400</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,194,000)</u>	<u>(1,194,000)</u>	<u>(500,976)</u>	<u>693,024</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating contingency	(121,600)	(121,600)	-	121,600
Loan Proceeds	1,000	1,000	-	(1,000)
Proceeds from sale of capital assets	1,000	1,000	57,000	56,000
Transfer from General Fund	55,000	55,000	55,000	-
<b>Total other financing sources (uses)</b>	<u>(64,600)</u>	<u>(64,600)</u>	<u>112,000</u>	<u>176,600</u>
Net change in fund balances	(1,258,600)	(1,258,600)	(388,976)	869,624
<b>FUND BALANCES</b>				
Beginning of year - July 1, 2022	5,137,000	5,137,000	5,137,040	40
End of year - June 30, 2023	<u>\$ 3,878,400</u>	<u>\$ 3,878,400</u>	<u>\$ 4,748,064</u>	<u>\$ 869,664</u>

**JACKSON COUNTY FIRE DISTRICT 3**  
**Schedule of Property Tax Transactions**  
June 30, 2023

Fiscal Years	Property Taxes Receivable at July 1, 2022	Levy as Extended by Assessor	Add / (Deduct) Discounts Allowed	Add Interest	Add / (Deduct) Adjustments	Deduct Collections	Property Taxes Receivable at June 30, 2023
22-23		\$ 16,989,554	\$ (446,629)	\$ 2,567	\$ (63,127)	\$ 16,053,326	\$ 429,039
21-22	\$ 372,586			7,549	(115,050)	131,351	133,734
20-21	123,745			5,495	(9,863)	46,923	72,454
19-20	68,995			5,375	(7,216)	31,058	36,096
18-19	34,337			3,708	(6,859)	17,577	13,609
17-18	10,728			919	(1,297)	3,200	7,150
16-17	7,386			533	(1,037)	1,589	5,293
Prior	32,667			800	(1,867)	2,013	29,587
<b>Totals</b>	<u>\$ 650,444</u>	16,989,554	<u>\$ (446,629)</u>	<u>\$ 26,946</u>	<u>\$ (206,316)</u>	16,287,037	<u>\$ 726,962</u>
	Less discounts	(446,629)			Less received July 2022	(106,305)	
	Plus interest	26,946			Plus received July 2023	<u>130,514</u>	
	Less adjustments	<u>(206,316)</u>					
<b>Total government-wide property tax revenue</b>		<u>\$ 16,363,555</u>			<b>Total governmental fund property tax revenue</b>	<u>\$ 16,311,246</u>	

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# Statistical Section

This part of Jackson County Fire District 3’s Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District’s overall financial health.

Contents	Page
<b>Financial Trends</b>	70-73
These schedules contain trend information to help the reader understand how the District’s financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	74-77
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	
<b>Debt Capacity</b>	78-80
These schedules present information to help the reader assess the affordability of the District’s current levels of outstanding debt and the District's ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	81-82
These schedules offer demographic and economic indicators to help the reader understand how the information in the District’s financial report relates to the services the District provides.	
<b>Operating Information</b>	83-85
These schedules contain service data to help the reader understand how the information in the District’s financial report relates to the services the District provides and the activities it performs.	



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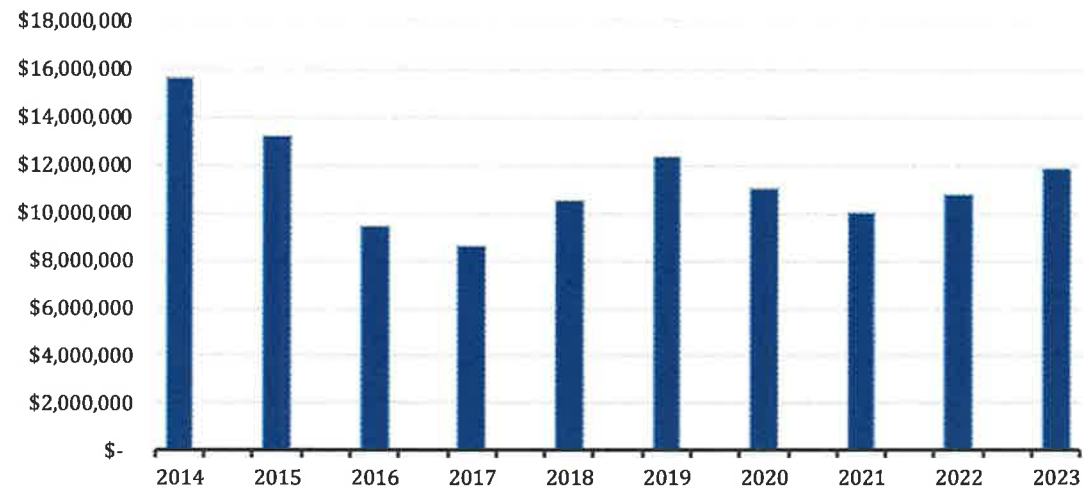


**JACKSON COUNTY FIRE DISTRICT 3**  
**Net Position by Component**  
 Last Ten Fiscal Years  
 (accrual basis of accounting)

**Governmental activities:**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net investment in capital assets	\$ 8,960,272	\$ 8,861,249	\$ 9,044,662	\$ 9,075,288	\$ 10,252,970	\$ 12,049,634	\$ 12,780,080	\$ 12,645,501	\$ 12,979,135	\$ 12,856,394
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	6,668,219	4,390,203	411,311	(466,499)	350,923	370,634	(1,737,578)	(2,565,448)	(2,193,926)	(988,404)
Total net position	<u>\$ 15,628,491</u>	<u>\$ 13,251,452</u>	<u>\$ 9,455,973</u>	<u>\$ 8,608,789</u>	<u>\$ 10,603,893</u>	<u>\$ 12,420,268</u>	<u>\$ 11,042,502</u>	<u>\$ 10,080,053</u>	<u>\$ 10,785,209</u>	<u>\$ 11,867,990</u>

**Total Net Position**





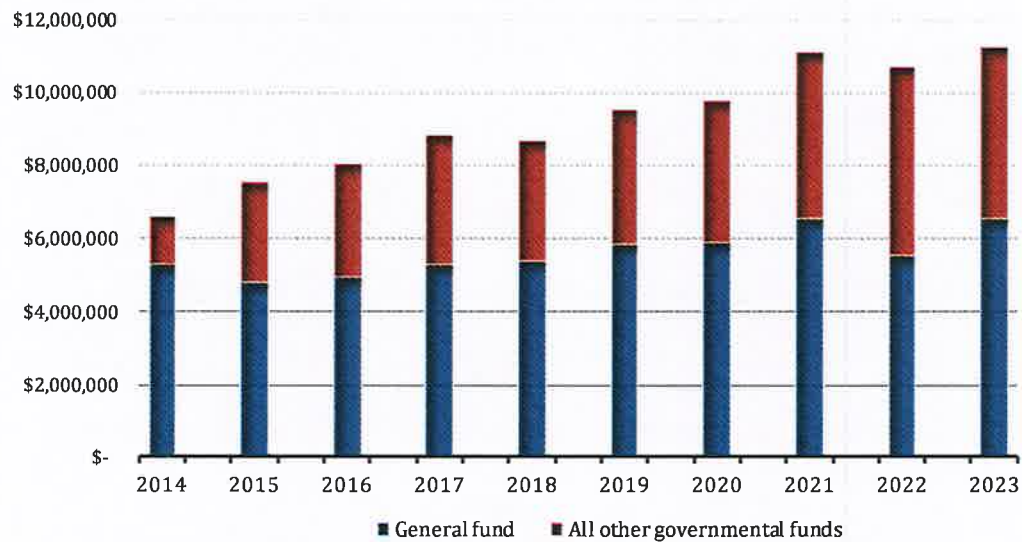
**JACKSON COUNTY FIRE DISTRICT 3**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
Governmental Activities:										
Fire protection	\$ 11,201,021	\$ 13,799,563	\$ 15,596,948	\$ 13,079,139	\$ 10,915,365	\$ 13,112,700	\$ 15,219,403	\$ 15,766,863	\$ 14,337,596	\$ 15,178,679
Interest on long-term debt	31,767	46,639	41,337	35,690	30,058	24,218	98,686	86,726	74,217	58,667
Depreciation	640,369	696,718	746,320	702,662	666,587	620,491	800,407	1,033,906	1,042,799	997,367
Total Expenses	<u>11,873,157</u>	<u>14,542,920</u>	<u>16,384,605</u>	<u>13,817,491</u>	<u>11,612,010</u>	<u>13,757,409</u>	<u>16,118,496</u>	<u>16,887,495</u>	<u>15,454,612</u>	<u>16,234,713</u>
<b>Program Revenues</b>										
Governmental Activities:										
Operating grants and contributions	750	13,311	38,968	107,201	53,898	57,614	34,026	271,734	169,132	166,108
Capital grants and contributions	-	250,000	-	-	-	1,019,982	-	-	-	-
Total Program Revenues	<u>750</u>	<u>263,311</u>	<u>38,968</u>	<u>107,201</u>	<u>53,898</u>	<u>1,077,596</u>	<u>34,026</u>	<u>271,734</u>	<u>169,132</u>	<u>166,108</u>
<b>Net (Expense)/Revenue</b>										
Governmental Activities										
Total Net Expense	<u>(11,872,407)</u>	<u>(14,279,609)</u>	<u>(16,345,637)</u>	<u>(13,710,290)</u>	<u>(11,558,112)</u>	<u>(12,679,813)</u>	<u>(16,084,470)</u>	<u>(16,615,761)</u>	<u>(15,285,480)</u>	<u>(16,068,605)</u>
<b>General Revenues</b>										
Governmental Activities:										
Property taxes	12,103,232	11,618,842	12,155,021	12,599,337	13,042,941	13,735,165	14,198,798	15,077,973	15,614,199	16,363,555
Investment earnings	37,448	43,475	63,274	108,035	173,969	270,757	298,922	101,243	68,656	396,531
Gain(loss) on sale of capital assets	-	29,944	593	5,355	13,383	5,000	689	23,497	8,204	57,527
Contract receipts	52,000	130,656	134,544	81,288	24,900	34,182	54,071	-	-	-
Conflagrations and miscellaneous	136,629	79,653	196,726	69,091	298,023	451,084	154,224	450,599	299,577	333,773
Total General Revenues	<u>12,329,309</u>	<u>11,902,570</u>	<u>12,550,158</u>	<u>12,863,106</u>	<u>13,553,216</u>	<u>14,496,188</u>	<u>14,706,704</u>	<u>15,653,312</u>	<u>15,990,636</u>	<u>17,151,386</u>
<b>Change in Net Position</b>										
Governmental Activities										
Total primary government	<u>\$ 456,902</u>	<u>\$ (2,377,039)</u>	<u>\$ (3,795,479)</u>	<u>\$ (847,184)</u>	<u>\$ 1,995,104</u>	<u>\$ 1,816,375</u>	<u>\$ (1,377,766)</u>	<u>\$ (962,449)</u>	<u>\$ 705,156</u>	<u>\$ 1,082,781</u>

**JACKSON COUNTY FIRE DISTRICT 3**  
**Fund Balances of Governmental Funds**  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General fund</b>										
Nonspendable	\$ 125,407	\$ 131,845	\$ 139,037	\$ 139,693	\$ 145,536	\$ 154,150	\$ 170,000	\$ 173,873	\$ 188,767	\$ 198,325
Unassigned	5,201,966	4,661,875	4,811,858	5,148,223	5,249,259	5,693,965	5,763,413	6,402,182	5,394,973	6,348,845
Total general fund	<u>\$ 5,327,373</u>	<u>\$ 4,793,720</u>	<u>\$ 4,950,895</u>	<u>\$ 5,287,916</u>	<u>\$ 5,394,795</u>	<u>\$ 5,848,115</u>	<u>\$ 5,933,413</u>	<u>\$ 6,576,055</u>	<u>\$ 5,583,740</u>	<u>\$ 6,547,170</u>
<b>All other governmental funds</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	250,000	-	-	-	-	-	-	-	-
Assigned	1,279,652	2,505,652	3,079,957	3,573,377	3,316,813	3,705,435	3,838,044	4,573,001	5,137,040	4,748,064
Total all other governmental funds	<u>\$ 1,279,652</u>	<u>\$ 2,755,652</u>	<u>\$ 3,079,957</u>	<u>\$ 3,573,377</u>	<u>\$ 3,316,813</u>	<u>\$ 3,705,435</u>	<u>\$ 3,838,044</u>	<u>\$ 4,573,001</u>	<u>\$ 5,137,040</u>	<u>\$ 4,748,064</u>

**Fund Balances  
Governmental Funds**



**JACKSON COUNTY FIRE DISTRICT 3**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>REVENUES</b>										
Property taxes	\$ 12,113,147	\$ 11,614,390	\$ 12,134,058	\$ 12,569,814	\$ 13,023,910	\$ 13,722,736	\$ 14,205,874	\$ 15,403,616	\$ 15,582,111	\$ 16,311,246
Investment earnings	37,448	43,475	63,274	108,035	173,969	270,757	298,922	101,243	68,656	396,531
Contracts	52,000	130,656	134,544	81,288	24,900	34,182	54,071	-	-	-
Lease revenue	-	-	-	-	-	-	-	58,194	37,501	61,738
Grants and donations	750	263,311	38,968	107,201	53,898	1,077,596	34,026	271,734	169,132	166,108
Conflagrations and miscellaneous	136,629	79,653	196,726	69,091	298,023	451,084	154,224	392,405	262,076	272,035
Total revenues	<u>12,339,974</u>	<u>12,131,485</u>	<u>12,567,570</u>	<u>12,935,429</u>	<u>13,574,700</u>	<u>15,556,355</u>	<u>14,747,117</u>	<u>16,227,192</u>	<u>16,119,476</u>	<u>17,207,658</u>
<b>EXPENDITURES</b>										
Current:										
Fire protection	10,548,910	10,563,333	11,113,021	11,338,491	11,860,617	12,275,133	12,937,587	13,880,105	14,949,817	15,702,431
Capital outlay	1,448,234	262,200	711,895	509,980	1,615,314	2,182,460	5,134,291	282,743	1,027,360	539,600
Debt service										
Principal	76,046	342,995	225,337	230,808	236,456	242,196	432,062	624,084	506,572	386,000
Interest	43,681	50,554	36,430	31,064	25,380	19,624	53,959	86,158	72,206	62,700
Total expenditures	<u>12,116,871</u>	<u>11,219,082</u>	<u>12,086,683</u>	<u>12,110,343</u>	<u>13,737,767</u>	<u>14,719,413</u>	<u>18,557,899</u>	<u>14,873,090</u>	<u>16,555,955</u>	<u>16,690,731</u>
Excess (deficiency) of revenues over expenditures	223,103	912,403	480,887	825,086	(163,067)	836,942	(3,810,782)	1,354,102	(436,479)	516,927
<b>OTHER FINANCING SOURCES (USES)</b>										
Loan proceeds	-	-	-	-	-	-	4,028,000	-	-	-
Proceeds from sale of equipment	9,911	29,944	593	5,355	13,383	5,000	689	23,497	8,204	57,527
Refunding bond issuance costs	38,500	-	-	-	-	-	-	-	-	-
Transfers in	230,600	1,473,800	1,036,200	986,900	1,349,300	1,546,100	1,266,200	996,200	1,591,400	55,000
Transfers out	(230,600)	(1,473,800)	(1,036,200)	(986,900)	(1,349,300)	(1,546,100)	(1,266,200)	(996,200)	(1,591,400)	(55,000)
Total other financing sources (uses)	<u>48,411</u>	<u>29,944</u>	<u>593</u>	<u>5,355</u>	<u>13,383</u>	<u>5,000</u>	<u>4,028,689</u>	<u>23,497</u>	<u>8,204</u>	<u>57,527</u>
Net change in fund balances	<u>\$ 271,514</u>	<u>\$ 942,347</u>	<u>\$ 481,480</u>	<u>\$ 830,441</u>	<u>\$ (149,684)</u>	<u>\$ 841,942</u>	<u>\$ 217,907</u>	<u>\$ 1,377,599</u>	<u>\$ (428,275)</u>	<u>\$ 574,454</u>
Debt service as a percentage of noncapital expenditures	1.12%	3.59%	2.30%	2.26%	2.16%	2.09%	3.62%	4.87%	3.73%	2.78%

# JACKSON COUNTY FIRE DISTRICT 3

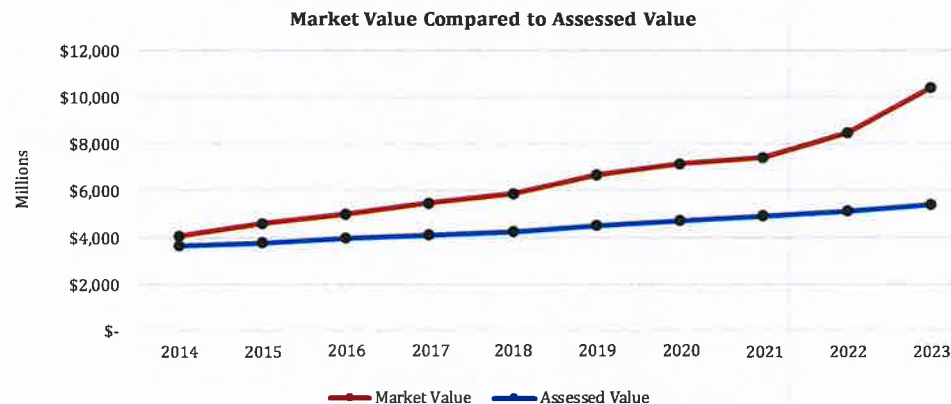
## Market and Assessed Value of Taxable Property

### Last Ten Fiscal Years

Fiscal Year Ended	Real Property		Personal Property		Manufactured Structures		Public Utilities		Total		Total Assessed to Total Market Value	Total Direct Tax Rate
	Market Value	Assessed Value	Market Value	Assessed Value	Market Value	Assessed Value	Market Value	Assessed Value	Market Value	Assessed Value		
2014	\$ 3,796,232,112	\$ 3,416,760,761	\$ 90,870,200	\$ 90,862,970	\$ 43,827,390	\$ 39,315,046	\$ 112,588,855	\$ 110,005,050	\$ 4,043,518,557	\$ 3,656,943,827	90.44%	3.12
2015	4,359,147,204	3,564,866,680	103,835,640	103,740,910	45,517,910	40,430,799	121,862,697	119,645,585	4,630,363,451	3,828,683,974	82.69%	3.12
2016	4,730,489,999	3,720,215,430	112,719,200	112,588,540	44,099,510	40,139,143	130,545,978	126,804,400	5,017,854,687	3,999,747,513	79.71%	3.12
2017	5,197,592,402	3,852,082,650	119,325,380	119,139,280	46,578,630	42,428,020	131,175,865	131,159,000	5,494,672,277	4,144,808,950	75.43%	3.12
2018	5,577,199,511	3,993,539,693	122,861,440	122,861,440	46,572,989	42,140,056	147,903,930	146,841,330	5,894,537,870	4,305,382,519	73.04%	3.12
2019	6,308,705,820	4,170,153,832	139,111,300	139,111,300	48,544,542	43,719,948	199,297,456	198,721,900	6,695,659,118	4,551,706,980	67.98%	3.12
2020	6,748,775,308	4,356,883,298	141,707,890	141,707,890	49,030,732	43,091,260	178,593,115	178,587,300	7,118,107,045	4,720,269,748	66.31%	3.12
2021	7,022,764,008	4,550,091,140	138,212,210	138,211,768	60,104,224	47,949,938	211,042,280	198,498,700	7,432,122,722	4,934,751,546	66.40%	3.12
2022	8,096,175,863	4,760,962,301	125,502,840	125,500,540	62,978,754	49,859,014	193,929,478	193,864,500	8,478,586,935	5,130,186,355	60.51%	3.12
2023	9,888,219,211	5,012,900,313	148,527,640	148,492,866	151,485,620	64,161,941	231,513,304	209,871,600	10,419,745,775	5,435,426,720	52.16%	3.12

**Source:** Jackson County Assessment Department.

**Notes:** Tax rates are per \$1,000 of assessed value. In May of 1997, Oregon voters approved Measure 50 that revised the property tax system state-wide effective July 1, 1997. For property tax purposes, the measure changed a property's assessed valuation from real market value to a value for tax purposes. In addition, the maximum assessed value of a property was limited to a maximum of 3% growth per year. Accordingly, since that date, there is a difference between market value and assessed value.



**JACKSON COUNTY FIRE DISTRICT 3**  
**Direct and Overlapping Property Tax Rates**  
 Last Ten Fiscal Years  
 (Rate per \$1,000 of Assessed Value)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Range of property tax rates for direct and overlapping governments per \$1,000 of assessed value</b>	\$ 7.13 to \$ 20.34	\$ 7.07 to \$ 20.29	\$ 6.96 to \$ 20.29	\$ 6.96 to \$ 20.29	\$ 6.96 to \$ 20.15	\$ 6.96 to \$ 20.13	\$ 6.96 to \$ 20.12	\$ 6.96 to \$ 20.08	\$ 6.98 to \$ 19.57	\$ 6.98 to \$ 19.76
JACKSON COUNTY FIRE DISTRICT 3	\$ 3.12	\$ 3.12	\$ 3.12	\$ 3.12	\$ 3.12	\$ 3.12	\$ 3.12	\$ 3.12	\$ 3.12	\$ 3.12
Jackson County	2.06	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
School District 6	4.41	4.41	4.41	4.41	4.41	4.41	4.41	4.41	4.22	4.41
School District 9	4.72	4.72	4.72	4.72	4.72	4.72	4.72	4.72	4.72	4.72
Rogue Community College	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51
Education Service District	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35
City of Central Point	4.47	4.47	4.47	4.47	4.38	4.36	4.35	4.31	4.29	4.29
City of Eagle Point	2.46	2.46	2.46	2.46	2.46	2.46	2.46	2.46	2.46	2.46
City of Gold Hill	1.68	1.68	1.68	1.68	1.68	1.68	1.68	1.68	1.68	1.68
Rogue Valley Transit District	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18
White City Law Enforcement	2.42	2.37	2.37	2.37	2.32	2.32	2.32	2.32	2.02	2.02
Jackson Soil and Water Conservation	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Jackson County Library District	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52
Jackson County Agricultural 4-H District	0.52	0.52	0.41	0.41	0.41	0.41	0.41	0.41	0.43	0.43

**Source:** Jackson County Assessment Department.

**JACKSON COUNTY FIRE DISTRICT 3**  
**Principle Property Taxpayers**  
Current Year and Nine Years Ago

2023					2014		
Type of Business	Rank	Taxable Assessed Value	Percentage of Total Taxable Assessed Valuation		Rank	Taxable Assessed Value	Percentage of Total Taxable Assessed Valuation
<b>PRIVATE ENTERPRISES:</b>							
Boise Cascade Wood Products	Wood Manufacturer	2	\$ 85,076,869	1.57 %	1	\$ 60,783,003	1.66 %
Amy's Kitchen	Organic Food Mfg	3	61,441,100	1.13	4	30,140,470	0.82
Carestream Health Inc	Medical Mfg Plant	5	49,549,670	0.91	2	60,345,380	1.65
Linde LLC	Industrial Gases	6	40,338,430	0.74	5	21,278,230	0.58
Costco Wholesale Corporaton	Wholesale Retailer	7	28,383,640	0.52			
Fedex Freight Inc	Freight Services	8	23,291,670	0.43			
Smith Crossing LLC	Retirement Community	9	21,360,360	0.39			
Plycem Usa Inc	Construction Material				8	16,996,520	
300 West Antelope Road LLC	Domestic Liability	10	18,060,730	0.33			
Biomass One, Ltd	Industrial Mill				10	14,335,000	0.39
Table Rock Group LLC	Limited Liability				7	19,044,600	0.52
Certainteed Corp	Wood Siding Plant						
<b>PUBLIC UTILITIES:</b>							
Pacific Corp	Electric Utilities	1	95,148,544	1.75	3	42,110,000	1.15
Avista Corp	Natural Gas Utilities	4	59,621,000	1.10	6	20,887,000	0.57
Lumen Technologies	Telephone				9	14,528,100	0.40
<b>ALL OTHER TAXPAYERS:</b>			<u>4,953,154,707</u>	<u>91.13</u>		<u>3,356,495,524</u>	<u>91.78</u>
<b>TOTAL ASSESSED VALUE</b>			<u>\$ 5,435,426,720</u>	<u>100.00 %</u>		<u>\$ 3,656,943,827</u>	<u>99.54 %</u>

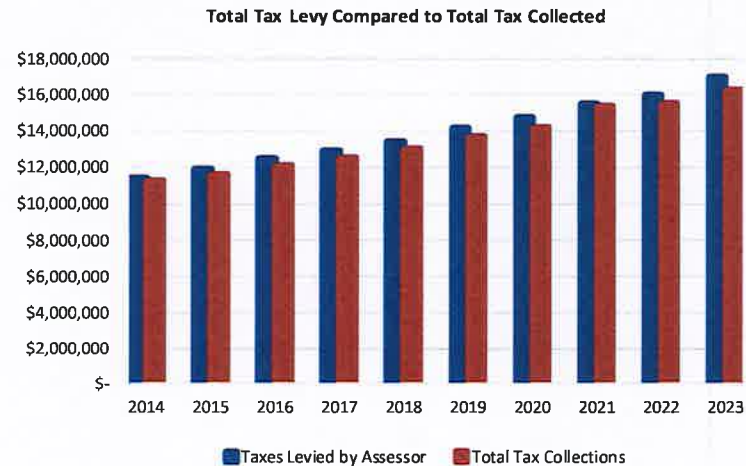
**Source:** Jackson County Assessment Department.



**JACKSON COUNTY FIRE DISTRICT 3**  
**Property Tax Levies and Collections**  
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied by Assessor	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Collections as a Percent of Current Levy	Outstanding Delinquent Taxes	Delinquent Taxes as a Percent of Current Levy
2014	\$11,424,300	\$ 10,740,195	94.01	\$ 513,404	\$11,253,599	98.51	\$ 879,881	7.70
2015	11,909,282	11,231,211	94.31	383,179	11,614,390	97.52	861,868	7.24
2016	12,458,556	11,792,665	94.66	341,393	12,134,058	97.40	899,876	7.22
2017	12,911,941	12,239,478	94.79	330,336	12,569,814	97.35	929,394	7.20
2018	13,416,774	12,713,654	94.76	310,257	13,023,911	97.07	987,975	7.36
2019	14,193,426	13,409,890	94.48	312,846	13,722,736	96.68	982,880	6.92
2020	14,718,202	13,880,987	94.31	324,887	14,205,874	96.52	963,387	6.55
2021	15,478,260	14,588,632	94.25	814,984	15,403,616	99.52	671,861	4.34
2022	16,028,243	15,294,618	95.42	287,493	15,582,111	97.22	650,444	4.06
2023	16,989,554	16,049,438	94.47	261,808	16,311,246	96.01	726,962	4.28

**Source:** District financial statements, current and prior years.



**JACKSON COUNTY FIRE DISTRICT 3**  
**Ratios of Outstanding Debt by Type**  
Last Ten Fiscal Years

Fiscal Year	Gross Bonded Debt		Lease Obligations		Certificates of Participation	Total Outstanding Debt	Debt as a Percentage of Personal Income <sup>(1)</sup>	Debt Per Capita <sup>(1)</sup>
2014	\$	-	\$	-	\$ 1,908,510	1,908,510	0.000232	9.12
2015		-		-	1,565,516	1,565,516	0.000178	7.40
2016		-		-	1,340,178	1,340,178	0.000145	6.22
2017		-		-	1,109,370	1,109,370	0.000115	5.09
2018		-		-	872,914	872,914	0.000087	3.95
2019		-		-	630,719	630,719	0.000060	2.84
2020		-		-	4,226,657	4,226,657	0.000365	18.90
2021		-		-	3,602,573	3,602,573	0.000282	16.06
2022		-		-	3,096,000	3,096,000	0.000243	13.97
2023		-		-	2,710,000	2,710,000	0.000201	12.14

**Source:** District financial statements, current and prior years.

**Notes:** (1) See the Schedule of Demographic and Economic Statistics for personal income and population data.  
2023 ratios are calculated using estimated personal income and population from the prior calendar year.



**JACKSON COUNTY FIRE DISTRICT 3**  
**Computation of Overlapping Net Direct Debt**  
As of June 30, 2023

<b>Jurisdiction</b>	<b>Net Direct Debt Outstanding <sup>(1)</sup></b>	<b>Percentage Applicable to District</b>	<b>Amount Applicable to District</b>
City of Central Point	\$ 18,941,379	100.000%	\$ 18,941,379
City of Gold Hill	98,327	100.000%	98,327
Jackson County School District 6	80,450,087	90.150%	72,525,753
Jackson County	21,475,000	22.830%	4,902,743
Jackson County Housing Authority	6,848,673	22.830%	1,563,552
Rogue Community College JC Bonds	4,355,000	22.640%	985,972
Rogue Valley Transit District	152,978	18.210%	27,857
Rogue Community College	56,010,000	17.000%	9,521,700
Jackson County School District 549C	<u>132,580,000</u>	6.310%	<u>8,365,798</u>
Subtotal of overlapping debt	\$ 320,911,444		\$ 116,933,081
Fire District 3 direct debt			<u>2,710,000</u>
<b>Total direct and overlapping debt</b>			<b><u>\$ 119,643,081</u></b>

**Source:** Oregon State Treasury, Debt Management Division

**Notes:** Overlapping taxing jurisdictions are those that coincide, at least in part, with the geographic boundaries of the District.

<sup>(1)</sup> Net direct debt includes General Obligation Bonds and Full Faith and Credit Bonds minus any fully Self-Supporting Unlimited-tax GO Bonds and self-supporting Full Faith and Credit Debt.

**JACKSON COUNTY FIRE DISTRICT 3**  
**Legal Debt Margin Information**  
Last Ten Fiscal Years

**Legal Debt Margin Calculation for Fiscal Year Ending June 30, 2023**

Real market value of District property	\$ 9,888,219,111
Debt limit under ORS 478.410(2) (1.25% of real market value)	123,602,739
Amount of debt applicable to limit:	
Gross bonded debt	
Certificates of participation	2,710,000
Less: Amount set aside for current repayment	<u>(394,000)</u>
Total net debt applicable to limit	<u>2,316,000</u>
Legal debt margin	<u><u>\$ 121,286,739</u></u>
 Total net debt applicable to the limit as a percentage of debt limit	 1.87%

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$50,543,982	\$57,879,543	\$62,723,184	\$66,506,569	\$71,231,931	\$81,151,812	\$86,114,896	\$89,677,900	\$102,472,926	\$123,602,739
Total net debt applicable to limit	<u>1,908,510</u>	<u>1,565,516</u>	<u>1,340,178</u>	<u>1,109,370</u>	<u>872,914</u>	<u>630,719</u>	<u>4,226,657</u>	<u>3,602,573</u>	<u>3,096,000</u>	<u>2,710,000</u>
Legal debt margin	<u><u>\$48,635,472</u></u>	<u><u>\$56,314,027</u></u>	<u><u>\$61,383,006</u></u>	<u><u>\$65,397,199</u></u>	<u><u>\$70,359,017</u></u>	<u><u>\$80,521,093</u></u>	<u><u>\$81,888,239</u></u>	<u><u>\$86,075,327</u></u>	<u><u>\$99,376,926</u></u>	<u><u>\$120,892,739</u></u>
 Total net debt applicable to the limit as a percentage of debt limit	 3.78%	 2.70%	 2.14%	 1.67%	 1.23%	 0.78%	 4.91%	 4.02%	 3.02%	 2.19%

**Source:** Real market value information from the Jackson County Assessment Department. All other information obtained from District financial statements.

**Note:** Oregon revised statute 478 limits fire protection districts to a debt limit of 1.25% of real market value of all taxable property with the District's boundaries. Debt issued through financing agreements are not required to be used in the calculation.

**JACKSON COUNTY FIRE DISTRICT 3**  
**Demographic and Economic Statistics**  
 Last Ten Calendar Years

<b>Calendar Year</b>	<b>Jackson County Population</b>	<b>Total Personal Income</b> (in thousands)	<b>Per Capita Income</b>	<b>School Enrollment</b>	<b>Unemployment</b>
2013	207,155	7,564,605	36,513	8,101	9.1%
2014	209,226	8,216,284	39,270	8,119	7.4%
2015	211,432	8,797,567	41,609	8,356	6.0%
2016	215,498	9,212,901	42,752	8,439	5.1%
2017	218,087	9,657,327	44,282	8,585	4.1%
2018	220,838	10,016,020	45,355	8,524	4.6%
2019	222,195	10,484,815	47,187	8,997	3.1%
2020	223,614	11,594,427	51,850	8,729	6.3%
2021	224,327	12,770,524	56,928	8,914	3.8%
2022	221,644	12,755,983	57,552	9,097	5.2%

**Sources:** Population, personal income, and per capita personal income information provided by the Bureau of Economic Analysis. School enrollment provided by the Oregon State Department of Education. Unemployment data provided by the Oregon Employment Department.

**Notes:** Population, personal income, per capita income, and unemployment data is for entire Jackson County. School enrollment is based on the census of the two school district's within the Fire District at the start of the school year.

**JACKSON COUNTY FIRE DISTRICT 3**  
**Principal Industries**  
Current Year and Nine Years Ago

Industry	2023			2014		
	Employment	Rank	% of Total	Employment	Rank	% of Total
Health Care & Social Assistance	19,372	1	18%	16,613	1	18%
Retail Trade	17,677	2	17%	15,414	2	17%
Federal, State, Local Government	11,194	3	11%	11,007	3	12%
Administrative and Financial Activities	10,706	4	10%	9,578	4	10%
Leisure & Hospitality	9,997	5	9%	9,322	5	10%
Manufacturing	8,298	6	8%	8,318	6	9%
Construction	8,001	7	8%	5,780	8	6%
Real Estate, Rental, and Leasing	7,914	8	7%	6,036	7	7%
Professional, Business, and Technical Services	6,885	9	7%	5,710	9	6%
Transportation and Warehousing	5,716	10	5%	3,677	10	4%
<b>TOTAL</b>	<b>105,760</b>		<b>100%</b>	<b>91,455</b>		<b>100%</b>

**Source:** Bureau of Economic Analysis.

**JACKSON COUNTY FIRE DISTRICT 3**  
**Full-Time Equivalent District Employees by Program**  
 Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b><u>Program</u></b>										
Administration	4	4	4	4	4	4.15	4.65	5.5	6	7
Operations	48	50	50	50	50	53	53	54.65	59.5	59.5
Fire and Life Safety	4	5	5	5	5	5	3	5	4	4
Training	2	2	2	2	2	2	2	1.5	1	1
Strategic Services	1	1	1	1	1	2.25	4	4.5	4.5	4.5
Technology	1	1	1	1	1	1	1	1	1	1
Total	60	63	63	63	63	67.4	67.65	72.15	76	77

**Source:** Jackson County Fire District 3 Finance Department.

**JACKSON COUNTY FIRE DISTRICT 3**  
**Operating Indicators by Program**  
 Last Ten Calendar Years

<b>Program</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Operations</b>										
Number of fire incidents	237	225	235	240	235	236	232	276	326	312
Number of medical incidents	4,350	4,128	4,496	4,442	4,273	431	4,663	4,509	5,237	5,606
Number of all incidents <i>(also includes fire and medical above)</i>	6,517	6,713	7,325	7,404	7,881	7,892	8,368	8,045	8,820	8,958
<b>Fire and Life Safety</b>										
Number of building inspections	1,052	1,210	1,230	204	271	522	769	714	621	896
Number of plan reviews and consultations	260	262	207	223	288	338	305	273	238	371
Number of fire investigations	322	297	305	318	286	282	283	325	238	372
<b>Training</b>										
Training hours for personnel <sup>(1)</sup>			13,519	12,806	8,626	10,107	9,280	11,865	11,591	12,454

**Source:** Various Jackson County Fire District 3 Departments.

<sup>(1)</sup> Training hours not tracked for years prior to 2015.

**JACKSON COUNTY FIRE DISTRICT 3**  
**Capital Asset Statistics by Program**  
 Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b><u>Program</u></b>										
<b>Operations</b>										
Fire Engines	11	13	11	11	11	12	12	12	12	12
Wildland Engine	9	9	10	9	8	8	8	8	8	8
Tenders/Tactical	5	5	5	5	5	5	5	5	5	5
Rescue Equipment	2	2	2	2	2	2	2	2	2	2
Command Staff/Support Vehicles	18	18	19	17	17	15	17	17	17	22
<b>Maintenance</b>										
Number of District facilities maintained	8	8	8	8	8	8	9	9	9	9

**Source:** Jackson County Fire District 3 Finance Department.

# Reports on Other Legal and Regulatory Requirements



The following pages are required by state regulation. Oregon Administrative Rules 162-10-050 through 162-10-320 incorporated in the *Minimum Standard for Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy; enumerate the financial statements, schedules, and comments and disclosures required in audit reports.



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# **RICHARD W. BREWSTER, CPA, PC**

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## **Independent Auditor's Report Required by Oregon State Regulations**

Board of Directors  
Jackson County Fire District No. 3  
8383 Agate Road  
White City OR 97503

I have audited the basic financial statements of Jackson County Fire District No. 3 as of and for the year ended June 30, 2023 and have issued my report thereon dated November 29, 2023. I conducted my audit in accordance with auditing standards generally accepted in the United States of America.

### **Compliance**

As part of obtaining reasonable assurance about whether Jackson County Fire District No. 3's financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion.

I performed procedures to the extent I 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).**

In connection with my testing nothing came to my attention that caused me to believe Jackson County Fire District No. 3 was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

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

In planning and performing my audit, I considered Jackson County Fire District No. 3's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Jackson County Fire District No. 3's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of Jackson County Fire District No. 3's internal control over financial reporting.

This report is intended solely for the information and use of the Board of Directors and management of Jackson County Fire District No. 3 and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.



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Richard W. Brewster  
Certified Public Accountant

November 29, 2023