



AMITY FIRE DISTRICT
Amity, Oregon

ANNUAL FINANCIAL REPORT

June 30, 2025



436 1st Avenue W • P.O. Box 1072
Albany, Oregon 97321 • (541) 223-5555

AMITY FIRE DISTRICT
Amity, Oregon

DISTRICT OFFICIALS

June 30, 2025

BOARD OF DIRECTORS

Amanda Christensen, President

Thomas Scheible, Vice President

Matt Crawford

Jason Scharf

Reg McShane
(Effective 8/12/2024)

Dean Schulze
(Resigned 7/8/2024)

**All directors receive mail at the District address below*

FIRE CHIEF AND REGISTERED AGENT

Ian Yocum

DISTRICT CLERK

Judy Breeden

DISTRICT ADDRESS

700 S. Trade Street
Amity, Oregon 97101

AMITY FIRE DISTRICT
Amity, Oregon

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Board of Directors
Amity Fire District
Amity, Oregon 97101

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of Amity Fire District, Amity, Oregon, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of Amity Fire District, Amity, Oregon, as of June 30, 2025, and the respective changes in modified cash basis financial position thereof for the year then ended on the modified cash basis of accounting described in Note I.

Basis for Opinions

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note I of the financial statements, which describes the basis of accounting. Amity Fire District, Amity, Oregon, prepares its financial statements on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Emphasis of Matter - Change in Accounting Principle

As described in the notes to the financial statements, in the year ended June 30, 2025, the District adopted new accounting guidance: GASB Statement No. 102, *Certain Risk Disclosures*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note I, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, 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 Amity Fire District, Amity, Oregon'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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Amity Fire District, Amity, Oregon's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Amity Fire District, Amity, Oregon's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Amity Fire District, Amity, Oregon's basic financial statements. The individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 individual fund financial schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Report on Other Legal and Regulatory Requirements

In accordance with the Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated September 19, 2025 on our tests of the District's compliance with certain provisions of laws and regulations specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Accuity, LLC

By: 
Glen O. Kearns, CPA

Albany, Oregon
September 19, 2025

BASIC FINANCIAL STATEMENTS

AMITY FIRE DISTRICT
Amity, Oregon

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

June 30, 2025

	<u>Governmental Activities</u>
ASSETS	
Current assets	
Cash and cash equivalents	<u>\$ 1,064,073</u>
Restricted assets	
Cash restricted for debt service	<u>29,077</u>
Noncurrent assets	
Capital assets not being depreciated	295,904
Capital assets being depreciated, net	<u>2,397,277</u>
Total noncurrent assets	<u>2,693,181</u>
Total assets	<u>3,786,331</u>
LIABILITIES	
Current liabilities	
Long-term liabilities, current portion	387,072
Noncurrent liabilities	
Long-term liabilities, less current portion	<u>1,169,154</u>
Total liabilities	<u>1,556,226</u>
NET POSITION	
Net investment in capital assets	1,136,955
Restricted for debt service	29,077
Unrestricted	<u>1,064,073</u>
Total net position	<u><u>\$ 2,230,105</u></u>

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

AMITY FIRE DISTRICT
Amity, Oregon

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the Year Ended June 30, 2025

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Capital Grants and Contributions</u>	Net (Expense)
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		Revenue and Changes in Net Position
Governmental activities					<u>Governmental Activities</u>
Fire suppression	\$ 657,644	\$ 86,601	\$ 35,000	\$ -	\$ (536,043)
General revenues					
Property taxes - general					595,932
Property taxes - debt service					301,636
Investment earnings					61,055
Gain on sale of assets					41,200
Miscellaneous					3,480
Total general revenues					<u>1,003,303</u>
Change in net position					467,260
Net position - beginning					<u>1,762,845</u>
Net position - ending					<u>\$ 2,230,105</u>

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

AMITY FIRE DISTRICT
Amity, Oregon

BALANCE SHEET - MODIFIED CASH BASIS

GOVERNMENTAL FUNDS

June 30, 2025

	General Fund	Debt Service Fund	Capital Improvements Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 270,452	\$ 29,077	\$ 793,621	\$ 1,093,150
FUND BALANCES				
Restricted for debt service	\$ -	\$ 29,077	\$ -	\$ 29,077
Committed for capital projects	-	-	793,621	793,621
Unassigned	270,452	-	-	270,452
Total fund balances	\$ 270,452	\$ 29,077	\$ 793,621	\$ 1,093,150

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

AMITY FIRE DISTRICT
Amity, Oregon

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES**

June 30, 2025

Total fund balances		\$ 1,093,150
Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds:		
Cost	4,301,969	
Accumulated depreciation	<u>(1,608,788)</u>	2,693,181
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. These liabilities consist of:		
Loan payable	(276,226)	
Bonds payable	<u>(1,280,000)</u>	<u>(1,556,226)</u>
Net position of governmental activities		<u><u>\$ 2,230,105</u></u>

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

AMITY FIRE DISTRICT
Amity, Oregon

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
MODIFIED CASH BASIS

GOVERNMENTAL FUNDS

For the Year Ended June 30, 2025

	General Fund	Debt Service Fund	Capital Improvements Fund	Total Governmental Funds
REVENUES				
Property taxes	\$ 595,932	\$ 301,636	\$ -	\$ 897,568
Investment earnings	61,055	-	-	61,055
Reimbursements	104	-	-	104
Conflagrations	86,497	-	-	86,497
Grants	35,000			35,000
Miscellaneous	3,480	-	-	3,480
	<u>782,068</u>	<u>301,636</u>	<u>-</u>	<u>1,083,704</u>
EXPENDITURES				
Current				
Fire suppression				
Personnel services	221,043	-	-	221,043
Materials and services	266,027	-	-	266,027
Debt service	-	308,526	-	308,526
Capital outlay	85,299	-	538,131	623,430
	<u>572,369</u>	<u>308,526</u>	<u>538,131</u>	<u>1,419,026</u>
Total expenditures				
	<u>572,369</u>	<u>308,526</u>	<u>538,131</u>	<u>1,419,026</u>
Excess (deficiency) of revenues over (under) expenditures	<u>209,699</u>	<u>(6,890)</u>	<u>(538,131)</u>	<u>(335,322)</u>
OTHER FINANCING SOURCES (USES)				
Debt proceeds	-	-	276,226	276,226
Sale of assets	41,200	-	-	41,200
Transfers in	-	-	290,875	290,875
Transfers out	(290,875)	-	-	(290,875)
	<u>(249,675)</u>	<u>-</u>	<u>567,101</u>	<u>317,426</u>
Total other financing sources (uses)				
	<u>(249,675)</u>	<u>-</u>	<u>567,101</u>	<u>317,426</u>
Net change in fund balances	(39,976)	(6,890)	28,970	(17,896)
Fund balances - beginning	310,428	35,967	764,651	1,111,046
Fund balances - ending	<u>\$ 270,452</u>	<u>\$ 29,077</u>	<u>\$ 793,621</u>	<u>\$ 1,093,150</u>

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

AMITY FIRE DISTRICT
Amity, Oregon

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2025

Net change in fund balances	\$	(17,896)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures; however, in the statement of activities, the costs of these assets are allocated over their estimated useful lives and are reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital asset purchases	580,389	
Depreciation expense recorded in the current year	<u>(109,007)</u>	471,382

Long-term debt proceeds are reported as other financing sources in the governmental funds; however, in the statement of net position, issuing long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the statement of net position. This is the amount by which proceeds exceeded repayments:

Debt proceeds	(276,226)	
Debt principal paid	<u>290,000</u>	<u>13,774</u>

Change in net position	\$	<u><u>467,260</u></u>
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The accompanying notes are an integral part of these financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

AMITY FIRE DISTRICT
Amity, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Amity Fire District have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported for the District.

B. Reporting Entity

Control of Amity Fire District is vested in its board of directors, elected to office by voters within the District. Administrative functions are delegated to individuals who report to and are responsible to the board.

C. Basis of Presentation - Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from all governmental funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. Major governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

General Fund – The General Fund is the District's primary operating fund. It accounts for all the administrative and operational activities of the District. The principal source of revenue is property taxes. Expenditures are for payroll related costs and materials and services.

AMITY FIRE DISTRICT
Amity, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Presentation – Fund Financial Statements (Continued)

Debt Service Fund – The Debt Service Fund is used to account for the repayment of the District's bonded debt. The principal source of revenue is property taxes. The principal expenditures are principal and interest.

Capital Improvements Fund – The Capital Improvement Fund is for accumulating funds for the future purchases of District equipment. The principal source of revenue is transfers from the General Fund. The principal expenditures are for equipment acquisitions.

Certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated.

E. 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 within the limitations of the modified cash basis of accounting, as described below.

Governmental fund financial statements are reported using the current financial resources measurement focus. Only current financial assets and liabilities are generally included on the balance sheet. The operating statements present sources and uses of available expendable financial resources during a given period. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt is reported as an other financing source.

In the government-wide financial statements and the fund financial statements, governmental activities are presented using the modified cash basis of accounting. This basis recognizes assets, liabilities, fund balance/net position, revenues, and expenditures when they result from cash transactions, with a provision for depreciation in the government-wide statements.

AMITY FIRE DISTRICT
Amity, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Measurement Focus and Basis of Accounting (Continued)

This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. As a result of the use of the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenues for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received, but not yet paid, and accrued expenses and liabilities) are not recorded in the financial statements.

If the District utilized the basis of accounting recognized as generally accepted, the fund financial statements would use the modified accrual basis of accounting and the government-wide financial statements would be presented on the accrual basis of accounting.

F. Budgetary Information

The District budgets all funds in accordance with the requirements of state law. Annual appropriated budgets are adopted for the general, debt service, and capital projects funds. All funds are budgeted on the cash basis of accounting.

The District begins its budgeting process by appointing budget committee members. The budget officer prepares a budget, which is reviewed by the budget committee. The budget is then published in proposed form and is presented at public hearings to obtain taxpayer comments and approval from the budget committee. The board of directors legally adopts the budget by resolution prior to the beginning of the District's fiscal year. The board resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations.

Total personnel services, materials and services, debt service, capital outlay, and contingency for each fund are the levels of control established by the resolution. The detailed budget document, however, is required to contain more specific detailed information for the aforementioned expenditure categories, and management may revise the detailed line-item budgets within appropriation categories.

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

AMITY FIRE DISTRICT
Amity, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Budgetary Information (Continued)

Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by the board of directors. During the year, there was one supplemental budget adopted. The District does not use encumbrances, and appropriations lapse at year end.

Budget amounts shown in the financial statements reflect the original budget amounts and one supplemental budget.

G. Assets, Liabilities, 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 investments with original maturities of three months or less from the date of acquisition.

2. Investments

State statutes authorize the District to invest in legally issued general obligations of the United States, the agencies and instrumentalities of the United States and the states of Oregon, Washington, Idaho, or California, certain interest-bearing bonds, time deposit open accounts, certificates of deposit, and savings accounts in banks, mutual savings banks, and savings and loan associations that maintain a head office or a branch in this state in the capacity of a bank, mutual savings bank, or savings and loan association, and share accounts and savings accounts in credit unions in the name of, or for the benefit of, a member of the credit union pursuant to a plan of deferred compensation.

3. Capital Assets

Capital assets resulting from cash transactions, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost where no historical records exist.

AMITY FIRE DISTRICT
Amity, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Assets, Liabilities, and Net Position/Fund Balance (Continued)

3. Capital Assets (Continued)

The reported value excludes normal maintenance and repairs that are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Major capital outlays for capital assets and improvements are capitalized as projects are constructed.

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District are depreciated using the straight-line method over the following estimated useful lives.

<u>Assets</u>	<u>Years</u>
Equipment	5-15
Apparatus	10-25
Buildings	20-40

4. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations arising from cash basis transactions are reported as liabilities in the governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bond using the bonds outstanding method. Bonds payable are reported net of the applicable bond premium or discount.

5. Net Position Flow Assumption

Sometimes, the District will fund outlays for a particular purpose from both restricted (e.g., restricted grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide 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 consider restricted net position to have been depleted before unrestricted net position is applied.

AMITY FIRE DISTRICT
Amity, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Assets, Liabilities, and Net Position/Fund Balance (Continued)

6. Fund Balance Flow Assumption

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 consider restricted fund balances to have been depleted before using any of the components of unrestricted fund balance. Further, when components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

7. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. 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 committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The board of directors is the highest level of decision-making authority for the District that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The board of directors (board) has, by resolution, authorized the budget officer to assign fund balance. The board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to remove or revise a commitment.

The District reports fund balance in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

AMITY FIRE DISTRICT
Amity, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Assets, Liabilities, and Net Position/Fund Balance (Continued)

7. Fund Balance Policies (Continued)

The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance – amounts that are in nonspendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., board of directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest-level action to remove or change the constraint.
- Assigned fund balance – amounts that the District intends to use for a specific purpose. Intent can be expressed by the board of directors or by an official or body to which the board of directors delegates authority.
- Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

The District has not formally adopted a minimum fund balance policy.

H. Revenues and Expenditures/Expenses

1. Program Revenues

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

AMITY FIRE DISTRICT
Amity, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Revenues and Expenditures/Expenses (Continued)

2. Property Taxes

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic remittances of collection to entities levying taxes. Property taxes are levied and become a lien as of July 1 on property values assessed as of June 30. Property taxes are payable in three installments, which are due on November 15, February 15, and May 15.

I. Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

II. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. Deposits and Investments

Amity Fire District maintains a cash and cash equivalents pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the fund financial statements as cash and cash equivalents. Additionally, several funds held separate cash accounts. Interest earned on pooled cash and investments is allocated to participating funds based upon their combined cash and investment balances.

Investments, including amounts held in pooled cash and investments, are stated at fair value. In accordance with GASB Statement No. 72, Fair Value Measurement and Application, investments with a remaining maturity of more than one year at the time of purchase are stated at fair value. The District participates in an external investment pool (State of Oregon Local Government Investment Pool (LGIP)). The LGIP is not registered with the U.S. Securities and Exchange Commission as an investment company. The State's investment policies are governed by the Oregon Revised Statutes (ORS) and the Oregon Investment Council (OIC). The State Treasurer is the investment officer for the OIC and is responsible for all funds in the State Treasury. These funds are invested, exercising reasonable care, skill, and caution. Investments in the LGIP are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board, which established diversification percentages and specifies the types and maturities of investments. The portion of the external investment pool that belongs to local government investment participants is reported in an Investment Trust Fund in the State's Annual Comprehensive Financial Report (ACFR). A copy of the State's ACFR may be obtained at the Oregon State Treasury, 867 Hawthorne Avenue SE, Salem, Oregon 97301.

AMITY FIRE DISTRICT
Amity, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

II. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

A. Deposits and Investments (Continued)

Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or price paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based on the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

- *Level 1* – Unadjusted quoted prices for identical investments in active markets.
- *Level 2* – Observable inputs other than quoted market prices.
- *Level 3* – Unobservable inputs.

The LGIP investments are not required to be categorized under the fair value hierarchy. The fair value of the District's position in the LGIP is the same as the value of the pool shares.

Credit Risk

Oregon statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the Local Government Investment Pool. The District has not adopted an investment policy regarding credit risk; however, investments comply with state statutes.

Investments

As of June 30, 2025, the District had the following investments:

	Credit Quality Rating	Maturities	Fair Value
Oregon Local Government Investment Pool	Unrated	-	\$ 1,068,020

AMITY FIRE DISTRICT
Amity, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

II. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

A. Deposits and Investments (Continued)

Interest Rate Risk

The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increases in interest rates.

Concentration of Credit Risk

The District does not have a formal policy that places a limit on the amount that may be invested in any one insurer. 100 percent of the District's investments are in the Oregon Local Government Investment Pool.

Custodial Credit Risk – Investments

This is the risk that, in the event of the failure of a counterparty, the District will not be able to recover the value of its investments that are in the possession of an outside party. The District does not have a policy that limits the amount of investments that can be held by counterparties.

Custodial Credit Risk – Deposits

This is the risk that, in the event of a bank failure, the District's deposits may not be returned. All District deposits not covered by Federal Depository Insurance Corporation (FDIC) insurance are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon, organized in accordance with ORS 295. The PFCP is a shared liability structure for participating bank depositories. Barring any exceptions, a bank depository is required to pledge collateral valued at a minimum of 10% of their quarter-end public fund deposits if they are considered well capitalized, 25% of their quarter-end public fund deposits if they are considered adequately capitalized, or 110% of their quarter-end public fund deposits if they are considered undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities.

The District holds accounts at First Federal Bank, for which the FDIC provides insurance coverage of \$250,000 for demand deposit accounts and an additional \$250,000 for time and savings accounts. At June 30, 2025, the District's total deposits of \$79,760 were fully insured by the FDIC.

AMITY FIRE DISTRICT
Amity, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

II. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

A. Deposits and Investments (Continued)

Deposits

The District's deposits and investments at June 30, 2025 are as follows:

Checking accounts	\$ 25,130
Investments	<u>1,068,020</u>
Total deposits and investments	<u><u>\$ 1,093,150</u></u>

Cash and investments by fund:

Governmental activities - unrestricted	
General Fund	\$ 270,452
Capital Improvements Fund	<u>793,621</u>
Total governmental activities - unrestricted	<u>1,064,073</u>
Governmental activities - restricted	
Debt Service Fund	<u>29,077</u>
Total cash and investments	<u><u>\$ 1,093,150</u></u>

Restricted cash is for future payments related to principal and interest of long-term debt.

AMITY FIRE DISTRICT
Amity, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

II. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

B. Capital Assets

Capital asset activity resulting from modified cash basis transactions for the year ended June 30, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 287,795	\$ -	\$ -	\$ 287,795
Construction in progress	-	8,109	-	8,109
Total capital assets not being depreciated	<u>287,795</u>	<u>8,109</u>	<u>-</u>	<u>295,904</u>
Capital assets being depreciated				
Buildings	2,657,047	-	-	2,657,047
Apparatus	930,675	572,280	(315,000)	1,187,955
Equipment	<u>161,063</u>	<u>-</u>	<u>-</u>	<u>161,063</u>
Total capital assets being depreciated	<u>3,748,785</u>	<u>572,280</u>	<u>(315,000)</u>	<u>4,006,065</u>
Less accumulated depreciation for				
Buildings	(963,561)	(66,155)	-	(1,029,716)
Apparatus	(767,806)	(32,805)	315,000	(485,611)
Equipment	<u>(83,414)</u>	<u>(10,047)</u>	<u>-</u>	<u>(93,461)</u>
Total accumulated depreciation	<u>(1,814,781)</u>	<u>(109,007)</u>	<u>315,000</u>	<u>(1,608,788)</u>
Total capital assets being depreciated, net	<u>2,049,772</u>	<u>-</u>	<u>-</u>	<u>2,397,277</u>
Governmental activities capital assets, net	<u>\$ 2,221,799</u>	<u>\$ 471,382</u>	<u>\$ -</u>	<u>\$ 2,693,181</u>

AMITY FIRE DISTRICT
Amity, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

II. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

B. Capital Assets (Continued)

Capital assets are reported on the statement of net position as follows:

	Capital Assets	Accumulated Depreciation	Net Capital Assets
Governmental activities			
Land	\$ 287,795	\$ -	\$ 287,795
Construction in progress	8,109	-	8,109
Buildings	2,657,047	(1,029,716)	1,627,331
Apparatus	1,187,955	(485,611)	702,344
Equipment	161,063	(93,461)	67,602
Total governmental activities	<u>\$ 4,301,969</u>	<u>\$ (1,608,788)</u>	<u>\$ 2,693,181</u>

Depreciation expense was charged to functions/programs of the District as follows:

Governmental activities	
Fire suppression	<u>\$ 109,007</u>

C. Long-Term Liabilities

1. Changes in Long-Term Liabilities

	Interest Rate	Original Amount	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities							
PNC Freightliner Finance	5.64%	\$ 276,226	\$ -	\$ 276,226	\$ -	\$ 276,226	\$ 87,072
General Obligation Bonds, Series 2020	1.18%	<u>2,585,000</u>	<u>1,570,000</u>	<u>-</u>	<u>290,000</u>	<u>1,280,000</u>	<u>300,000</u>
Total governmental activities		<u>\$ 2,861,226</u>	<u>\$ 1,570,000</u>	<u>\$ 276,226</u>	<u>\$ 290,000</u>	<u>\$ 1,556,226</u>	<u>\$ 387,072</u>

2. Interest Expense

Interest expense was charged to functions/programs of the District as follows:

Governmental activities	
Fire suppression	<u>\$ 18,526</u>

AMITY FIRE DISTRICT
Amity, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

II. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

C. Long-Term Liabilities (Continued)

3. PNC Freightliner Finance Loan

On July 30, 2024, the District entered into an agreement with PNC Bank, National Association for \$276,226 to finance the purchase of a new Pierce Stock Freightliner Pumper, with fixed interest at 5.64%. Principal and interest payments are due annually on July 30. The Debt Service Fund will be used to liquidate this long-term obligation.

If the District is unable to make payments on the loan, the obligation contains an event of default, by which the lender may require the return of equipment or declare the entire unpaid principal balance and all accrued unpaid interest immediately due.

4. General Obligation Bonds – Series 2009 and Series 2020

General obligation bonds are direct obligations that pledge the full faith and credit of the District and are payable from ad valorem debt service levy proceeds. The District issues general obligation bonds to provide funds for the acquisition of capital assets. The Series 2009 bonds were issued on April 2, 2009 in the amount of \$3,745,000, with fixed interest ranging between 3.00% and 4.85%, increasing in accordance with the original bond agreement.

On September 15, 2020, the Series 2009 bonds were refunded with Series 2020 bonds in the amount of \$2,585,000, with fixed interest of 1.18%, creating a cash flow savings to the District of \$403,252. Interest is due semiannually on June 15 and December 15. The District's outstanding general obligation bonds represent funding for the acquisition of apparatus, which serves as collateral for the debt. The Debt Service Fund has traditionally been used to liquidate this long-term obligation.

If the District is unable to make payments on the general obligation bonds, the obligation contains an event of default, by which the lender may declare the entire unpaid principal balance and all accrued unpaid interest immediately due.

5. General Obligation Debt Capacity

The District's legal annual debt service limit (as defined by Oregon Revised Statutes 478.410) as of June 30, 2025 was approximately \$15,576,146. The District's legal debt service limit is 1.25% of the real market value of the property within the District.

AMITY FIRE DISTRICT
Amity, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

II. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

C. Long-Term Liabilities (Continued)

6. Future Maturities of Long-Term Debt

Year Ending June 30	PNC Freightliner Finance		G.O. Bonds 2020		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 87,072	\$ 15,579	\$ 300,000	\$ 15,104	\$ 387,072	\$ 30,683
2027	91,983	10,688	310,000	11,564	401,983	22,252
2028	97,171	5,480	330,000	7,906	427,171	13,386
2029	-	-	340,000	4,012	340,000	4,012
Total	<u>\$ 276,226</u>	<u>\$ 31,747</u>	<u>\$ 1,280,000</u>	<u>\$ 38,586</u>	<u>\$ 1,556,226</u>	<u>\$ 70,333</u>

D. Interfund Transfers

Operating transfers are reflected as other financing sources (uses) in the governmental funds. Interfund transfers during the year consisted of:

Transfers out: General Fund	Transfers in:
	Capital Improvements Fund
	<u>\$ 290,875</u>

The primary purpose of the interfund transfer was to reserve funds for future capital improvements of the District.

III. OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. There was no significant reduction in insurance coverage from the previous year. There were no insurance settlements exceeding insurance coverage in any of the past three years.

AMITY FIRE DISTRICT
Amity, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

III. OTHER INFORMATION (Continued)

B. Pension Plan

1. Plan Description

The District is a participating employer in the Oregon Public Employees Retirement System (OPERS), a cost-sharing, multiple-employer, defined benefit, and defined contribution pension plan. The Oregon Legislature has delegated authority to the Public Employees Retirement System Board to administer and manage the system. All benefits of the system are established by the legislature, pursuant to Oregon Revised Statutes (ORS) Chapters 238 and 238A. 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. OPERS issues a publicly available annual comprehensive financial report and actuarial valuation, both of which can be obtained at: <https://www.oregon.gov/pers/emp/pages/annual-reports.aspx>.

2. Benefits Provided

a. Tier One/Tier Two Retirement Benefits (ORS Chapter 238)

Pension Benefits

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options that are actuarially equivalent to the base benefit. These options include survivorship benefits and lump-sum refunds. The base benefit is based on years of service and final average salary. A percentage (1.67% for general service employees, 2.0% for police and fire 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 they have had a contribution in each of five calendar years or have reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Pension Plan is closed to new members hired on or after August 29, 2003.

AMITY FIRE DISTRICT
Amity, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

III. OTHER INFORMATION (Continued)

B. Pension Plan (Continued)

2. Benefits Provided (Continued)

a. Tier One/Tier Two Retirement Benefits (ORS Chapter 238) (Continued)

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 job, or
- the member was on an official leave of absence from a PERS-covered job at the time of death.

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 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 fair value of underlying global equity investments of that account. Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living adjustments (COLA), starting with the monthly benefits received or entitled to be received on August 1. The COLA is capped at 2.0%.

AMITY FIRE DISTRICT
Amity, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

III. OTHER INFORMATION (Continued)

B. Pension Plan (Continued)

2. Benefits Provided (Continued)

b. Oregon Public Service Retirement Plan (OPSRP) Pension Program (Defined Benefit)

Pension Benefits

The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions and earnings. Benefits are calculated with the following formula for members who attain normal retirement age:

General service: 1.5% 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.

Police and fire: 1.8% 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 retire under the police and fire classification, the individual's last 60 months of retirement credit preceding retirement eligibility must be classified as retirement credit for service as a police officer or a firefighter.

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, or, 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% of the pension that would otherwise have been paid to the deceased member.

Disability Benefits

A member who has accrued 10 or more years of retirement credit before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45% of the member's salary determined as of the last full month of employment before the disability occurred.

AMITY FIRE DISTRICT
Amity, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

III. OTHER INFORMATION (Continued)

B. Pension Plan (Continued)

2. Benefits Provided (Continued)

**b. Oregon Public Service Retirement Plan (OPSRP) Pension Program (Defined Benefit)
(Continued)**

Benefit Changes After Retirement

Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living adjustments (COLA), starting with the monthly benefits received or entitled to be received on August 1. The COLA is capped at 2.0%.

c. OPSRP Individual Account Program (IAP) (Defined Contribution)

Benefit Terms

The IAP is an individual account-based program under the OPERS tax-qualified governmental plan as defined under ORS 238A.400. An IAP member becomes vested on the date the employee account is established or on the date the rollover account is 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 IAP may receive the amounts in their employee account, rollover account, and vested employer-funded 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. Installment amounts vary with market returns as the account remains invested while in distribution. When chosen, the distribution option must result in a \$200 minimum distribution amount, or the frequency of the installments will be adjusted to reach that minimum.

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.

AMITY FIRE DISTRICT
Amity, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

III. OTHER INFORMATION (Continued)

B. Pension Plan (Continued)

2. Benefits Provided (Continued)

c. OPSRP Individual Account Program (IAP) (Defined Contribution) (Continued)

Recordkeeping

OPERS contracts with Voya Financial to maintain IAP participant records.

3. 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. Employer contribution rates during the period were based on the December 31, 2021 actuarial valuation, which became effective July 1, 2023. At June 30, 2025, the District had a credit of \$19,520 in employer contributions with PERS, excluding amounts to fund employer-specific liabilities. The rates in effect for the fiscal year ended June 30, 2025 were 0% for Tier One/Tier Two general service members, 0% for Tier One/Tier Two police and fire members, 0% for OPSRP Pension Program general service members, and 6% for OPSRP IAP. The District has elected to make the payments on behalf of its employees for the OPSRP IAP.

C. Length of Service Award Plan (LOSAP)

The District provides a LOSAP plan to volunteers through a single-employer defined contribution plan. The plan was formed under the guidelines of Internal Revenue Code Section 457. The plan is administered through the Oregon Fire District Directors Association. District contributions to the plan are fully vested after four consecutive years of service. Volunteers are not allowed to contribute to the plan. Contributions are discretionary. During the year, the District contributed \$14,000 and there were no forfeitures.

D. Oregon State Fire Marshal Apparatus Program

During the year ended June 30, 2025, Amity Fire District received a donated 2024 Rosenbauer Tender from the Oregon Department of the State Fire Marshal. The estimated value of the asset is \$340,000. No cash was exchanged; therefore, no asset is recorded on the financial statements.

AMITY FIRE DISTRICT
Amity, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

III. OTHER INFORMATION (Continued)

E. New Pronouncements

For the fiscal year ended June 30, 2025, the District implemented the following new accounting standard:

GASB Statement No. 102, *Certain Risk Disclosures* – This statement improves reporting by providing users of financial statements with essential information that previously was not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact.

The District will implement applicable new GASB pronouncements no later than the required fiscal year. Management has not determined the effect on the financial statements for implementing any of the following pronouncements:

GASB Statement No. 103, *Financial Reporting Model Improvements* – The objective of this statement is to improve key components of the financial reporting model. The purposes of the improvements are to (a) enhance the effectiveness of the financial reporting model in providing information that is essential for decision making and assessing a government's accountability and (b) address certain application issues identified through pre-agenda research conducted by the GASB. The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* – This statement establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures required by GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. It also establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

F. Subsequent Events

Management has evaluated subsequent events through September 19, 2025, which was the date that the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

AMITY FIRE DISTRICT
Amity, Oregon

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended June 30, 2025

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual Budget Basis
REVENUES			
Property taxes	\$ 575,302	\$ 20,630	\$ 595,932
Investment earnings	25,000	36,055	61,055
Grant proceeds	42,500	(7,500)	35,000
Reimbursements	10,000	(9,896)	104
Conflagrations	25,000	61,497	86,497
Miscellaneous	1,000	2,480	3,480
	<u>678,802</u>	<u>103,266</u>	<u>782,068</u>
EXPENDITURES			
Fire protection			
Personnel services			
Paid employees	150,000	(14,463)	135,537
Secretary	9,777	-	9,777
Payroll taxes and benefits	31,000	(2,496)	28,504
Workers comp insurance	8,000	(620)	7,380
Conflagration	10,000	29,845	39,845
	<u>208,777</u>	<u>12,266</u>	<u>221,043</u>
Materials and services			
Medical physicals	2,500	(2,500)	-
Building maintenance	10,000	(4,001)	5,999
Utilities	30,000	6,321	36,321
Dispatch	20,000	(738)	19,262
Elections	2,150	(2,150)	-
Firefighter expense	14,000	-	14,000
Gas and oil	15,000	(844)	14,156
Hose ladder testing	8,000	(2,314)	5,686
Insurance	40,000	(6,231)	33,769
Emergency medical supplies	5,500	(2,901)	2,599
Miscellaneous	2,500	(2,318)	182
Office supplies, printing	3,500	2,501	6,001
Professional services	75,000	5,610	80,610
Repairs and maintenance	50,000	(23,005)	26,995
Training	25,000	(11,611)	13,389
Travel	3,000	(2,464)	536
Uniforms and awards	8,000	(1,478)	6,522
	<u>314,150</u>	<u>(48,123)</u>	<u>266,027</u>
Total materials and services			

(Continued)

AMITY FIRE DISTRICT
Amity, Oregon

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended June 30, 2025

(Continued)

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual Budget Basis
EXPENDITURES (Continued)			
Fire protection (continued)			
Capital outlay	\$ 150,000	\$ (64,701)	\$ 85,299
Total fire protection	672,927	(100,558)	572,369
Contingency	10,000	(10,000)	-
Total expenditures	682,927	(110,558)	572,369
Excess (deficiency) of revenues over (under) expenditures	(4,125)	213,824	209,699
OTHER FINANCING SOURCES (USES)			
Sale of assets	20,000	21,200	41,200
Transfers out	(290,875)	-	(290,875)
Total other financing sources (uses)	(270,875)	21,200	(249,675)
Net change in fund balance	(275,000)	235,024	(39,976)
Fund balance - beginning	275,000	35,428	310,428
Fund balance - ending	\$ -	\$ 270,452	\$ 270,452

AMITY FIRE DISTRICT
Amity, Oregon

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

DEBT SERVICE FUND

For the Year Ended June 30, 2025

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual Budget Basis
REVENUES			
Property taxes	\$ 288,977	\$ 12,659	\$ 301,636
EXPENDITURES			
Debt service	<u>308,526</u>	<u>-</u>	<u>308,526</u>
Excess (deficiency) of revenues over (under) expenditures	(19,549)	12,659	(6,890)
Fund balance - beginning	<u>19,549</u>	<u>16,418</u>	<u>35,967</u>
Fund balance - ending	<u><u>\$ -</u></u>	<u><u>\$ 29,077</u></u>	<u><u>\$ 29,077</u></u>

AMITY FIRE DISTRICT
Amity, Oregon

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

CAPITAL IMPROVEMENTS FUND

For the Year Ended June 30, 2025

	Original Budget	Final Budget	Variance with Final Budget Over (Under)	Actual Budget Basis
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Equipment/budling improvement	<u>705,526</u>	<u>1,055,526</u>	<u>(517,395)</u>	<u>538,131</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(705,526)</u>	<u>(1,055,526)</u>	<u>517,395</u>	<u>(538,131)</u>
OTHER FINANCING SOURCES (USES)				
Debt proceeds	-	-	276,226	276,226
Transfers in	<u>290,875</u>	<u>290,875</u>	<u>-</u>	<u>290,875</u>
Net change in fund balance	(414,651)	(764,651)	793,621	28,970
Fund balance - beginning	<u>414,651</u>	<u>764,651</u>	<u>-</u>	<u>764,651</u>
Fund balance - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 793,621</u></u>	<u><u>\$ 793,621</u></u>

**AUDIT COMMENTS AND DISCLOSURES REQUIRED BY
STATE REGULATIONS**



INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Board of Directors
Amity Fire District
Amity, Oregon 97101

We have audited the basic financial statements of Amity Fire District as of and for the year ended June 30, 2025 and have issued our report thereon dated September 19, 2025. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether Amity Fire District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes, as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 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 statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures, which included, but were not limited to, the following:

Deposit of public funds with financial institutions (ORS Chapter 295)

Indebtedness limitations, restrictions, and repayment

Budgets legally required (ORS Chapter 294)

Insurance and fidelity bonds in force or required by law

Programs funded from outside sources

Authorized investment of surplus funds (ORS Chapter 294)

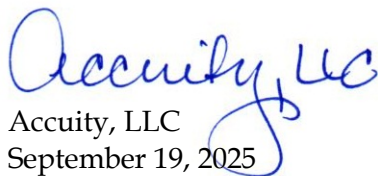
Public contracts and purchasing (ORS Chapters 279A, 279B, 279C)

In connection with our testing, nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, contracts, and grants, including the provisions of Oregon Revised Statutes, as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-010-0230 Internal Control

In planning and performing our audit, we considered Amity Fire District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Amity Fire District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Amity Fire District's internal control over financial reporting. However, we noted certain matters that we have reported to management of the District in a separate letter dated September 19, 2025.

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

A handwritten signature in blue ink that reads "Accuity, LLC". The signature is stylized and cursive, with the letters "A", "C", and "U" being particularly prominent and connected.

Accuity, LLC
September 19, 2025