



REDMOND FIRE & RESCUE
Redmond, Oregon

ANNUAL FINANCIAL REPORT

June 30, 2025



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

REDMOND FIRE & RESCUE
Redmond, Oregon

DISTRICT OFFICIALS

June 30, 2025

BOARD OF DIRECTORS

Gary Ollerenshaw, President

Jessica Meyer, Vice President

John Blanton, Secretary-Treasurer

Earl Fisher

Amanda Joe Luelling

**All board members receive mail at the District's address listed below.*

ADMINISTRATION

Ryan Herrera, Fire Chief and Registered Agent

Jodi Burch, Chief Financial Officer

Diane Cox, Office Administrator

DISTRICT ADDRESS

341 NW Dogwood Avenue
Redmond, Oregon 97756

REDMOND FIRE & RESCUE
Redmond, Oregon

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Board of Directors
Redmond Fire & Rescue
Redmond, Oregon 97756

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the remaining fund information of Redmond Fire & Rescue, Redmond, 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 financial position of the governmental activities, each major fund, and the remaining fund information of Redmond Fire & Rescue, Redmond, Oregon as of June 30, 2025, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Redmond Fire & Rescue, Redmond, 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 - 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: Governmental Accounting Standards Board (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 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 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 Redmond Fire & Rescue, Redmond, 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 Redmond Fire & Rescue, Redmond, 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 Redmond Fire & Rescue, Redmond, 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of the proportionate share of the net pension liability and contributions, schedules of the proportionate share of the net OPEB asset and contributions, schedule of changes in OPEB liability and related ratios, and budgetary comparison information on pages 5 through 11, 54, 55, 56, and 57, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the management's discussion and analysis, schedules of the proportionate share of the net pension liability and contributions, schedules of the proportionate share of the net OPEB asset and contributions, and schedule of changes in OPEB liability and related ratios 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. We do not express an opinion or provide any assurance on the aforementioned information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison information is the responsibility of management and is derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The budgetary comparison 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 and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Redmond Fire & Rescue, Redmond, Oregon's basic financial statements. The accompanying 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 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 December 27, 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
December 27, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

REDMOND FIRE & RESCUE
Redmond, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

INTRODUCTION

As management of Redmond Fire & Rescue, Redmond, Oregon, we offer readers this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2025. It should be read in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- At June 30, 2025, total net position of Redmond Fire & Rescue amounted to \$1,727,145. Of this amount, \$3,390,821 was invested in capital assets, net of related debt. The remaining balance included \$33,317 restricted for donor projects, and \$(1,696,993) of unrestricted net position.
- The District's total net position increased by \$1,656,618 during the current fiscal year.
- Overall revenues were \$18,972,915, which exceeded total expenditures of \$17,316,297 by \$1,656,618.

OVERVIEW OF FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

The statement of net position presents information on all of the District's assets, liabilities, and deferred inflows/outflows of resources, 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 in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements can be found on pages 12 through 14 of this report.

REDMOND FIRE & RESCUE
Redmond, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Fund Financial Statements

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

All of the funds of Redmond Fire & Rescue are governmental funds.

□ **Governmental Funds**

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the 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 financing decisions. Both the governmental funds balance sheet and the governmental funds 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 three individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General and Capital Projects Funds, which are considered to be major governmental funds, as well as for the MERCC Fund, which is considered to be a nonmajor governmental fund.

Redmond Fire & Rescue adopts an annual appropriated budget for all of its funds. A budgetary comparison statement has been provided to demonstrate compliance with their respective budgets.

The basic governmental fund financial statements can be found on pages 15 through 18 of this report.

REDMOND FIRE & RESCUE
Redmond, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the financial data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 19 through 53 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, which includes the schedules of the proportionate share of the net pension liability and contributions, schedules of the proportionate share of the net OPEB asset, schedule of the changes in OPEB liability and related ratios, and the budgetary comparison information for the General Fund. This required supplementary information can be found on pages 54 through 57 of this report.

Individual fund schedules can be found immediately following the required supplementary information on page 58 through 59 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. At June 30, 2025, the District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,727,145.

A large portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, and equipment) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

District's Net Position

The District's net position increased by \$1,656,618 during the current fiscal year. Condensed statement of net position information is shown on the following page.

REDMOND FIRE & RESCUE
Redmond, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Condensed Statement of Net Position

	Governmental Activities	
	2025	2024
Assets		
Current assets and other assets	\$ 11,417,942	\$ 9,660,342
Restricted assets	33,317	11,221
Net capital assets	6,830,255	5,640,731
Total assets	18,281,514	15,312,294
Deferred outflows of resources	6,584,245	5,816,645
Liabilities		
Current liabilities	5,371,482	4,619,915
Noncurrent liabilities	15,450,714	15,448,234
Total liabilities	20,822,196	20,068,149
Deferred inflows of resources	2,316,418	990,263
Net position		
Net investment in capital assets	3,390,821	2,889,842
Restricted for donor projects	33,317	11,221
Unrestricted	(1,696,993)	(2,830,536)
Total net position	\$ 1,727,145	\$ 70,527

District's Changes in Net Position

The condensed statement of activities information shown on the following page explains changes in net position.

REDMOND FIRE & RESCUE
Redmond, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Condensed Statement of Activities

	Governmental Activities	
	2025	2024
Program revenues		
Charges for services	\$ 3,882,049	\$ 4,009,674
Operating grants and contributions	97,608	11,221
Capital grants and contributions	49,877	-
	<u>4,029,534</u>	<u>4,020,895</u>
General revenues		
Property taxes - general	9,417,413	8,964,605
Property taxes - local option	3,931,363	1,357,686
Investment earnings	487,712	419,897
Contract services - airport	820,708	722,129
Gain on sale of capital assets	6,664	13,330
Insurance reimbursements	155,707	77,416
Miscellaneous	123,814	1,071
	<u>14,943,381</u>	<u>11,556,134</u>
Total general revenues	<u>14,943,381</u>	<u>11,556,134</u>
Total revenues	<u>18,972,915</u>	<u>15,577,029</u>
Program expenses		
Public safety	17,316,297	15,116,619
	<u>17,316,297</u>	<u>15,116,619</u>
Change in net position	1,656,618	460,410
Net position - beginning of year	<u>70,527</u>	<u>(389,883)</u>
Net position - end of year	<u>\$ 1,727,145</u>	<u>\$ 70,527</u>

FINANCIAL ANALYSIS OF THE DISTRICT'S 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 near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measurement of the District's net resources available for spending at the end of the fiscal year.

REDMOND FIRE & RESCUE
Redmond, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

At the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$10,132,682, an increase of \$1,476,176 from the prior year. The General Fund is the operating fund of the District. At the end of the current fiscal year, the total fund balance of the General Fund was \$8,228,793. Of this amount, \$7,847,330 constitutes unassigned fund balance, which is available for spending at the District's discretion.

BUDGETARY HIGHLIGHTS

Budget amounts shown in the financial statements reflect the original budget amounts and three approved supplemental budgets.

CAPITAL ASSETS

The District's investment in capital assets for its governmental activities as of June 30, 2025 amounted to \$6,830,255, net of accumulated depreciation. This investment in capital assets includes land, antiques, construction in progress, building, equipment and vehicles, land improvements, and software. The total depreciation expense related to the District's investment in capital assets for its governmental activities during the current fiscal year was \$490,277. Additional information on the District's capital assets can be found in Note II-C on pages 31 through 32 of this report.

Long-Term Liabilities

At the end of the current fiscal year, the District had \$3,439,434 total debt outstanding. This amount is comprised of two full faith and credit bonds and four loans payable. The District's total debt increased by \$688,545 during the current fiscal year. This change was due to payments of principal and new loans taken out. Additional information on the District's long-term debt can be found in Note II-F on pages 33 through 35 of this report.

KEY ECONOMIC FACTORS AND BUDGET INFORMATION FOR THE FUTURE

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that could affect its future financial health:

- The District's primary source of revenue is property taxes. Property tax growth is limited by Ballot Measure 5 (1990) and Measure 50 (1997). The combined impact of both measures continues to challenge the District's ability to maintain staffing levels, add necessary technologies, and enhance emergency medical services. The recent passage of the five-year local option levy increases tax collection from \$0.27 per \$1,000 of assessed valuation to \$0.75 per \$1,000 of assessed, which provides much-needed financial support, but the levy will expire and must be renewed by voters.

REDMOND FIRE & RESCUE
Redmond, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

- To provide excellence in medical, fire, and rescue services, the District needs vehicles, apparatus, and facilities capable of supporting the mission. The District maintains both strategic and long-term financial plans to guide capital purchases. However, even with strategies to ensure the best possible cost and longest practical service life, a single ambulance costs over \$300,000, fire engines are over four times that amount, and ladder trucks even more. In addition, as the population in the District's south end grows, so does the need for additional fire stations to serve all areas effectively. Due to the cost, station construction will require a voter-approved capital bond.
- The District continues to face increases in its PERS rates due to the account being historically underfunded at the state level. In addition, the District continues to experience market-driven medical insurance premium increases each year. A 16% increase in PERS rates and a 6% increase in medical insurance premiums are included in the FY 2025/26 budget.
- The City of Redmond implemented an Urban Renewal District (URD) in southern Redmond. Revenues raised by the URD will be matched with state and federal dollars to improve the safety and mobility of south Highway 97 along with a variety of other projects as described in the URD plan. The District fully supports improving vehicular and pedestrian safety along the corridor, but URDs do reduce property tax revenues available to the District while they are in effect. The financial impact to the District of the proposed URD is currently unknown, however the existing downtown URD results in the diversion of over \$350,000 of District property tax revenues to the downtown URD each year.

All of these factors were considered in preparing the District's budget for fiscal year 2025-2026.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be directed to the following address: Redmond Fire & Rescue, 341 NW Dogwood Avenue, Redmond, Oregon 97756.

BASIC FINANCIAL STATEMENTS

REDMOND FIRE & RESCUE
Redmond, Oregon

STATEMENT OF NET POSITION

June 30, 2025

	<u>Governmental Activities</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 10,115,226
Accounts receivable	55,763
Ambulance receivable, net	558,254
Property taxes receivable	263,912
Prepaid expenses	<u>248,146</u>
Total current assets	<u>11,241,301</u>
Restricted assets	
Cash and cash equivalents	<u>33,317</u>
Noncurrent assets	
Capital assets not being depreciated	3,014,331
Capital assets being depreciated, net	3,815,924
OPEB asset - RHIA	<u>176,641</u>
Total noncurrent assets	<u>7,006,896</u>
Total assets	<u>18,281,514</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>6,584,245</u>
LIABILITIES	
Current liabilities	
Accounts payable	266,811
Accrued payroll liabilities	682,080
Accrued interest	35,940
Compensated absences	3,752,304
Long-term debt, current portion	<u>634,347</u>
Total current liabilities	<u>5,371,482</u>
Noncurrent liabilities	
Net pension liability - PERS	12,097,941
OPEB liability - medical benefit	547,686
Long-term debt, less current portion	<u>2,805,087</u>
Total long-term liabilities	<u>15,450,714</u>
Total liabilities	<u>20,822,196</u>

(Continued)

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

REDMOND FIRE & RESCUE
Redmond, Oregon

STATEMENT OF NET POSITION

June 30, 2025

(Continued)

	<u>Governmental Activities</u>
DEFERRED INFLOWS OF RESOURCES	<u>\$ 2,316,418</u>
NET POSITION	
Net investment in capital assets	3,390,821
Restricted for donor projects	33,317
Unrestricted	<u>(1,696,993)</u>
Total net position	<u>\$ 1,727,145</u>

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

REDMOND FIRE & RESCUE
Redmond, Oregon

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2025

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
<u>Governmental activities</u>				<u>Governmental Activities</u>	
Public safety	<u>\$ 17,316,297</u>	<u>\$ 3,882,049</u>	<u>\$ 97,608</u>	<u>\$ 49,877</u>	<u>\$ (13,286,763)</u>
General revenues					
Property taxes levied for general purposes					9,417,413
Property taxes levied for local option					3,931,363
Investment earnings					487,712
Contract services - airport					820,708
Sale of assets					6,664
Insurance reimbursements					155,707
Miscellaneous					<u>123,814</u>
Total general revenues					<u>14,943,381</u>
Change in net position					1,656,618
Net position - beginning					<u>70,527</u>
Net position - ending					<u>\$ 1,727,145</u>

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

REDMOND FIRE & RESCUE
Redmond, Oregon

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2025

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Fund MERCC</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 8,199,630	\$ 1,761,829	\$ 187,084	\$ 10,148,543
Accounts receivable	55,763	-	-	55,763
Ambulance receivable, net	558,254	-	-	558,254
Property taxes receivable	263,912	-	-	263,912
Prepaid expenses	<u>248,146</u>	<u>-</u>	<u>-</u>	<u>248,146</u>
 Total assets	 <u>\$ 9,325,705</u>	 <u>\$ 1,761,829</u>	 <u>\$ 187,084</u>	 <u>\$ 11,274,618</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 221,787	\$ 45,024	\$ -	\$ 266,811
Accrued payroll liabilities	<u>682,080</u>	<u>-</u>	<u>-</u>	<u>682,080</u>
 Total liabilities	 <u>903,867</u>	 <u>45,024</u>	 <u>-</u>	 <u>948,891</u>
Deferred inflows of resources				
Unavailable revenue - property taxes	<u>193,045</u>	<u>-</u>	<u>-</u>	<u>193,045</u>
Fund balances				
Nonspendable	248,146	-	-	248,146
Restricted	33,317	-	-	33,317
Committed	-	1,716,805	187,084	1,903,889
Assigned	100,000	-	-	100,000
Unassigned	<u>7,847,330</u>	<u>-</u>	<u>-</u>	<u>7,847,330</u>
 Total fund balances	 <u>8,228,793</u>	 <u>1,716,805</u>	 <u>187,084</u>	 <u>10,132,682</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 9,325,705</u>	 <u>\$ 1,761,829</u>	 <u>\$ 187,084</u>	 <u>\$ 11,274,618</u>

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

REDMOND FIRE & RESCUE
Redmond, Oregon

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

June 30, 2025

Total fund balances		\$ 10,132,682
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:</p>		
Cost	12,589,836	
Accumulated depreciation	<u>(5,759,581)</u>	6,830,255
<p>Property tax revenue is recognized in the net position of governmental activities when the taxes are levied; however, in the governmental fund statements, it is recognized when available to be used for current year operations. Taxes not collected within 60 days of the end of the year are not considered available to pay for current year operations and are therefore not reported as revenue in the governmental funds.</p>		
		193,045
<p>Amounts relating to the District's proportionate share of the net pension/OPEB liability or asset are not reported in governmental fund statements. In the governmental fund statements, pension/OPEB expense is recognized when due. These amounts consist of:</p>		
Deferred outflows of resources relating to pension and OPEB	6,584,245	
Deferred inflows of resources relating to return on pension and OPEB	(2,316,418)	
Net pension asset - OPEB RHIA	176,641	
Net pension liability - PERS	(12,097,941)	
Net pension liability - OPEB medical benefit	<u>(547,686)</u>	(8,201,159)
<p>Long-term liabilities are not due or payable in the current year and are not reported in the governmental funds. 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:</p>		
Accrued interest	(35,940)	
Compensated absences payable	(3,752,304)	
Full faith & credit bonds payable	(640,000)	
Loans payable	<u>(2,799,434)</u>	<u>(7,227,678)</u>
Net position of governmental activities		\$ <u>1,727,145</u>

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

REDMOND FIRE & RESCUE
Redmond, Oregon

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended June 30, 2025

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Fund MERCC</u>	<u>Total Governmental Funds</u>
REVENUES				
Property taxes	\$ 13,348,776	\$ -	\$ -	\$ 13,348,776
Charges for services	3,794,940	-	70,309	3,865,249
Investment earnings	487,712	-	-	487,712
Grants and contributions	97,608	49,877	-	147,485
Contract services - airport	820,708	-	-	820,708
Miscellaneous	<u>41,233</u>	<u>99,381</u>	<u>-</u>	<u>140,614</u>
Total revenues	<u>18,590,977</u>	<u>149,258</u>	<u>70,309</u>	<u>18,810,544</u>
EXPENDITURES				
Current				
Public safety	16,307,877	-	-	16,307,877
Debt service	525,489	-	-	525,489
Capital outlay	<u>-</u>	<u>1,774,570</u>	<u>-</u>	<u>1,774,570</u>
Total expenditures	<u>16,833,366</u>	<u>1,774,570</u>	<u>-</u>	<u>18,607,936</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,757,611</u>	<u>(1,625,312)</u>	<u>70,309</u>	<u>202,608</u>
OTHER FINANCING SOURCES (USES)				
Sale of assets	4,164	2,500	-	6,664
Insurance reimbursements	155,707	-	-	155,707
Loan proceeds	-	1,111,197	-	1,111,197
Transfers in	-	1,051,593	-	1,051,593
Transfers out	<u>(1,051,593)</u>	<u>-</u>	<u>-</u>	<u>(1,051,593)</u>
Total other financing sources (uses)	<u>(891,722)</u>	<u>2,165,290</u>	<u>-</u>	<u>1,273,568</u>
Net change in fund balance	865,889	539,978	70,309	1,476,176
Fund balances - beginning	<u>7,362,904</u>	<u>1,176,827</u>	<u>116,775</u>	<u>8,656,506</u>
Fund balances - ending	<u>\$ 8,228,793</u>	<u>\$ 1,716,805</u>	<u>\$ 187,084</u>	<u>\$ 10,132,682</u>

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

REDMOND FIRE & RESCUE
Redmond, 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 \$ 1,476,176

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.

Expenditures for capital assets	1,679,801	
Depreciation expense recorded in the current year	<u>(490,277)</u>	1,189,524

Long-term debt proceeds are reported as other financing sources in the governmental funds. In the statement of net position, however, 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.

Accrued interest	(5,057)	
Loan proceeds	(1,111,197)	
Payments on long-term debt	<u>422,652</u>	(693,602)

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

Compensated absences		(257,930)
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Pension/OPEB expense or credits that do not meet the measurable and available criteria are not recognized as revenue or expense in the current year in the governmental funds. In the statement of activities, pension/OPEB expense or credit is recognized when determined to have been accrued.

Change in deferred outflows	767,600	
Change in deferred inflows	(1,326,155)	
Change in net pension liability	493,426	
Change in OPEB asset - RHIA	(5,453)	
Change in OPEB liability - medical benefit	<u>(19,056)</u>	(89,638)

Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the statement of activities, property taxes are recognized as revenue when levied.

		<u>32,088</u>
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Change in net position \$ 1,656,618

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

NOTES TO BASIC FINANCIAL STATEMENTS

REDMOND FIRE & RESCUE
Redmond, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Redmond Fire & Rescue have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. 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 are normally supported by taxes and intergovernmental revenues, are reported by the District.

B. Reporting Entity

Deschutes County Rural Fire Protection District No. 1 (the RFPD) was formed under the authority of Oregon Revised Statutes (ORS) Chapter 478. Through June 30, 2011, the RFPD provided fire protection for the unincorporated areas immediately surrounding the City of Redmond, Oregon (the City). Protection was provided solely through a contract with the City, which operated substations within the RFPD. On November 2, 2010, the residents of the City voted to annex the property within the city limits of the City into the RFPD territory, effective July 1, 2011. The annexation measure, along with a companion measure also approved by voters, had no impact on the total property taxes that may be levied on City residents. However, the measure provided that taxes on City residents for fire protection services previously levied and received by the City would be redirected to the RFPD.

On July 1, 2011, as a result of the vote of the citizens on the City, the RFPD annexed city limits of the City into the RFPD territory and began providing fire protection and emergency medical services both within the City limits and the unincorporated surrounding areas. As part of this annexation, the City transferred substantially all operational responsibilities and capital assets associated with fire protection services to the RFPD. The RFPD changed its legal name to Redmond Fire & Rescue (the District) effective July 1, 2011. Upon the effective date of the annexation on July 1, 2011, there was no disruption or material change in service as a result of this annexation. All employees of the City's fire department became employees of the District on July 1, 2011; prior to that date, the RFPD had no employees. Redmond Fire & Rescue continues to be governed by a five-member board elected by the residents of the District's service area.

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 the governmental funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

REDMOND FIRE & RESCUE
Redmond, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

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.

The District reports the following major governmental funds:

General Fund – The General Fund is the District’s primary operating fund. It accounts for all financial resources of the District except for those required to be accounted for in another fund. The primary source of revenue is property taxes. Expenditures are primarily for fire suppression, emergency medical response, and administrative support.

Capital Projects Fund – The Capital Projects Fund accounts for all the District’s capital outlay expenditures. The primary sources of revenue are transfers from the General Fund and loan proceeds. Expenditures are primarily for major equipment items, capital improvements, building construction, and apparatus replacement.

Additionally, the District reports the following nonmajor governmental fund:

Capital Projects Fund

MERCC Fund – The MERCC Fund accounts for mobile emergency responder communication coverage revenues. The primary source of revenue is charges for services.

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 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 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 revenue in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

REDMOND FIRE & RESCUE
Redmond, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible 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 60 days of the end of the current fiscal period. Expenditures are generally 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.

Property taxes and interest associated with the current fiscal period are considered to be susceptible to accrual and have therefore been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the District.

F. Budgetary Information

Annual budgets are adopted on the modified accrual basis of accounting. The District budgets all funds in accordance with the requirements of state law. Annual appropriated budgets are adopted for general and capital projects funds.

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 budget is legally adopted by the board of directors 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.

The resolution establishes levels of control at the organizational unit (personnel services and materials and services), debt service, capital outlay, and operating contingencies. 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.

REDMOND FIRE & RESCUE
Redmond, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution. A supplemental budget 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.

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 were three supplemental budgets 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 three approved supplemental budgets.

G. 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 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. Accounts and Ambulance Receivables

Accounts receivables are recorded as revenue when earned. No allowance for uncollectible accounts has been established, as management deems all accounts receivables collectible. Ambulance receivables are recorded as revenue when earned and are shown net of an allowance for uncollectible accounts. The allowance for uncollectible accounts is calculated by management based on collection experience and industry guidance.

REDMOND FIRE & RESCUE
Redmond, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

4. Prepaid Expenses

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

5. Capital Assets

Capital assets, 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. Donated capital assets are recorded at estimated fair market value at the date of donation.

The reported value excludes normal maintenance and repairs which 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, antiques, 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>
Apparatus and vehicles	5-15
Equipment	5-15
Land improvements	7-15
Buildings	15-40

6. Compensated Absences

Amounts of vested or accumulated vacation and sick leave that are expected to be liquidated with expendable available financial resources are reported as expenditures when paid. Amounts of vested or accumulated vacation and sick leave that are not expected to be liquidated with expendable available financial resources are reported as long-term liabilities on the statement of net position.

REDMOND FIRE & RESCUE
Redmond, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

7. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. 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. Management has determined that the bonds outstanding method approximates the effective interest method.

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

8. Deferred Outflows/Inflows of Resources (Non-Pension/OPEB Related)

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and will therefore not be recognized as an outflow of resources (expense/expenditure) until that time.

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and will therefore not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

9. Pensions

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

REDMOND FIRE & RESCUE
Redmond, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

10. Other Postemployment Benefits

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

For purposes of measuring the net OPEB medical benefit, the District has relied on actuarial reports. The net OPEB liability, deferred outflows of resources, and deferred inflows of resources are related to changes in assumptions for the covered active and inactive participants.

11. Net Position Flow Assumption

Sometimes, the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or 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.

12. 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 balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the 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.

13. 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).

REDMOND FIRE & RESCUE
Redmond, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

Restricted fund balance includes amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

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 an ordinance 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 may 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 either 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*. 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.

REDMOND FIRE & RESCUE
Redmond, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

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.

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. Uncollected property taxes are shown as assets in the governmental funds. Property taxes collected within approximately 60 days of fiscal year end are recognized as revenue, while the remaining are recorded as deferred inflows of resources because they are not deemed available to finance operations of the current period.

3. Retirement Plan

Most of the District's employees participate in Oregon's Public Employees Retirement System (PERS). Contributions and expenditures are made on a current basis, as required by the plan.

I. Use of Estimates

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 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

The 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.

REDMOND FIRE & RESCUE
Redmond, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

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 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.

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 a formal policy regarding credit risk; however, investments comply with state statutes.

REDMOND FIRE & RESCUE
Redmond, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

Investments

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

	<u>Credit Quality</u> <u>Rating</u>	<u>Maturities</u>	<u>Fair Value</u>
Oregon Local Government Investment Pool	Unrated	-	<u>\$ 9,997,149</u>

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 Interstate Bank, for which the FDIC provides insurance coverage of \$250,000 for demand deposit accounts and \$250,000 for time and savings accounts. At June 30, 2025, the District's total deposits of \$224,629 were fully insured by the FDIC.

REDMOND FIRE & RESCUE
Redmond, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

Deposits

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

Petty cash	\$ 200
Checking accounts	151,194
Investments	<u>9,997,149</u>
Total deposits and investments	<u><u>\$ 10,148,543</u></u>

Cash and investments by fund:

Governmental activities - unrestricted	
General Fund	\$ 8,166,313
Capital Projects Fund	1,761,829
Nonmajor governmental fund - MERCC Fund	<u>187,084</u>
Total governmental activities - unrestricted	10,115,226
Governmental activities - restricted	
General Fund	<u>33,317</u>
Total cash and investments	<u><u>\$ 10,148,543</u></u>

Restricted cash is for donor and grantor projects.

B. Ambulance Receivables

Ambulance receivables as of June 30, 2025, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Receivables	Allowance for Uncollectibles	Net Receivables
Ambulance receivables	<u>\$ 621,473</u>	<u>\$ (63,219)</u>	<u>\$ 558,254</u>

Collections made during the year on accounts previously written off totaled \$7,515. Amounts 120 days past due at June 30, 2025 totaled \$44,470.

REDMOND FIRE & RESCUE
Redmond, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

C. Capital Assets

Capital asset activity for the year ended June 30, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 46,801	\$ -	\$ -	\$ 46,801
Antiques	45,000	-	-	45,000
Construction in progress	1,739,100	1,183,430	-	2,922,530
Total capital assets not being depreciated	1,830,901	1,183,430	-	3,014,331
Capital assets being depreciated				
Buildings	3,161,080	-	-	3,161,080
Equipment	1,636,704	124,017	(12,521)	1,748,200
Apparatus and vehicles	4,256,352	341,441	(26,534)	4,571,259
Land improvements	33,117	6,789	-	39,906
Software	30,936	24,124	-	55,060
Total capital assets being depreciated	9,118,189	496,371	(39,055)	9,575,505
Less accumulated depreciation for				
Buildings	(1,476,160)	(91,139)	-	(1,567,299)
Equipment	(852,818)	(96,947)	12,521	(937,244)
Apparatus and vehicles	(2,942,834)	(290,775)	26,534	(3,207,075)
Land improvements	(13,195)	(2,658)	-	(15,853)
Software	(23,352)	(8,758)	-	(32,110)
Total accumulated depreciation	(5,308,359)	(490,277)	39,055	(5,759,581)
Total capital assets being depreciated, net	3,809,830	6,094	-	3,815,924
Governmental activities capital assets, net	\$ 5,640,731	\$ 1,189,524	\$ -	\$ 6,830,255

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

Governmental activities	
Public safety	\$ 490,277

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

	<u>Capital Assets</u>	<u>Accumulated Depreciation</u>	<u>Net Capital Assets</u>
Governmental activities			
Land	\$ 46,801	\$ -	\$ 46,801
Antiques	45,000	-	45,000
Construction in progress	2,922,530	-	2,922,530
Buildings	3,161,080	(1,567,299)	1,593,781
Equipment	1,748,200	(937,244)	810,956
Apparatus and vehicles	4,571,259	(3,207,075)	1,364,184
Land improvements	39,906	(15,853)	24,053
Software	55,060	(32,110)	22,950
	<u> </u>	<u> </u>	<u> </u>
Total capital assets	<u>\$ 12,589,836</u>	<u>\$ (5,759,581)</u>	<u>\$ 6,830,255</u>

D. Deferred Inflows/Outflows of Resources

Deferred inflows and outflows of resources are summarized on the statement of net position:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net pension liability - PERS	\$ 6,369,565	\$ 2,248,795
OPEB RHIA asset	16,783	5,689
OPEB medical benefit liability	197,897	61,934
	<u> </u>	<u> </u>
Total	<u>\$ 6,584,245</u>	<u>\$ 2,316,418</u>

E. Compensated Absences

The following is a summary of net compensated absences for the year:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Governmental activities				
Compensated absences	<u>\$ 3,494,374</u>	<u>\$ 257,930</u>	<u>\$ -</u>	<u>\$ 3,752,304</u>

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F. Long-Term Liabilities

1. Changes in Long-Term Liabilities

The following is a summary of long-term liabilities transactions for the year:

	Interest Rate	Original Amount	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities							
Bonds							
2006 FF&C Bonds	3.75-4.7%	\$ 935,000	\$ 385,000	\$ -	\$ (50,000)	\$ 335,000	\$ 50,000
2012 FF&C Bonds	2-4%	<u>1,540,000</u>	<u>405,000</u>	<u>-</u>	<u>(100,000)</u>	<u>305,000</u>	<u>100,000</u>
Total bonds		<u>2,475,000</u>	<u>790,000</u>	<u>-</u>	<u>(150,000)</u>	<u>640,000</u>	<u>150,000</u>
Loans							
PNC Equipment-Engine Loan	3.98%	498,807	269,715	-	(34,097)	235,618	35,478
PNC Equipment-Engine Type 3	1.96%	416,566	171,514	-	(84,922)	86,592	86,594
PNC Equipment-Pierce Pumpers	3.96%	1,739,100	1,519,660	-	(153,633)	1,366,027	159,777
PNC Equipment 2025 Pumper	4.6%	<u>1,111,197</u>	<u>-</u>	<u>1,111,197</u>	<u>-</u>	<u>1,111,197</u>	<u>202,498</u>
Total loans		<u>3,765,670</u>	<u>1,960,889</u>	<u>1,111,197</u>	<u>(272,652)</u>	<u>2,799,434</u>	<u>484,347</u>
Total governmental activities		<u>\$ 6,240,670</u>	<u>\$ 2,750,889</u>	<u>\$ 1,111,197</u>	<u>\$ (422,652)</u>	<u>\$ 3,439,434</u>	<u>\$ 634,347</u>

2. 2006 Full Faith and Credit Bonds

The 2006 Series FF&C bonds are direct obligations that pledge the full faith and credit of the District. The District's outstanding bonds represent funding used primarily to finance the construction of the Terrebonne Fire Station. Interest is fixed and ranges between 3.75% and 4.7%. Interest rates increase in accordance with original bond documents. Interest is due semiannually on July 1 and January 1. Principal is due annually on January 1.

3. 2012 Full Faith and Credit Bonds

The 2012 Series FF&C bonds are direct obligations that pledge the full faith and credit of the District. The District's outstanding bonds represent funding used primarily to refinance capital leases with the City and take legal title to the District's primary fire station and 2006 fire engine. Interest is fixed and ranges between 2% and 4%. Interest rates increase in accordance with original bond documents. Interest is due semiannually on December 1 and June 1. Principal is due annually on June 1.

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4. PNC Equipment Finance - Fire Engine Loan

On December 8, 2015, the District obtained a loan from PNC Equipment Finance to provide funds for the purchase of a fire engine, which is pledged as collateral. Interest is fixed at 3.98%. Principal and interest are due annually on December 8.

5. PNC Equipment Finance - Fire Engine Type 3 Loan

On June 18, 2021, the District obtained a loan from PNC Equipment Finance to provide funds for the purchase of a type 3 fire engine, which is pledged as collateral. Interest is fixed at 1.96%. Principal and interest are due semiannually on December 18 and June 18.

6. PNC Equipment Finance - 2023 Pierce Pumpers

On August 16, 2022, the District obtained a loan from PNC Equipment Finance to provide funds for the purchase of Pierce pumpers, which are pledged as collateral. Interest is fixed at 3.96%. Principal and interest are due semiannually on August 16 and February 16.

7. PNC Equipment Finance - 2025 Pierce Pumper

On April 30, 2025, the District obtained a loan from PNC Equipment Finance to provide funds for the purchase of a Pierce pumper, which is pledged as collateral. Interest is fixed at 4.6%. Principal and interest are due semiannually on October 30 and April 30.

8. Default Risk

If the District is unable to make payment on the loans, the obligations each contain an event of default; the lenders may declare the entire unpaid principal balance and all unpaid accrued interest immediately due.

9. Legal Debt Limit

The District's legal annual debt service limit (as defined by ORS 478.410) as of June 30, 2025 was approximately \$170,469,140. The District's legal debt service limit is 1.25% of the real market value of all taxable properties within the District.

10. Interest Expense

Interest expense was reported on the statement of activities as follows:

Governmental activities	
Public safety	\$ <u>102,838</u>

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NOTES TO BASIC FINANCIAL STATEMENTS

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11. Future Maturities of Long-Term Liabilities

Year Ending June 30	Full Faith & Credit Bonds		Loans		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 150,000	\$ 25,370	\$ 484,347	\$ 112,159	\$ 634,347	\$ 137,529
2027	150,000	20,420	415,001	93,635	565,001	114,055
2028	160,000	13,953	433,002	75,634	593,002	89,587
2029	55,000	7,168	451,788	56,848	506,788	64,016
2030	60,000	4,465	471,393	37,243	531,393	41,708
2031-2033	65,000	1,528	543,903	31,879	608,903	33,407
Total	<u>\$ 640,000</u>	<u>\$ 72,904</u>	<u>\$ 2,799,434</u>	<u>\$ 407,398</u>	<u>\$ 3,439,434</u>	<u>\$ 480,302</u>

G. Interfund Transfers

Interfund transfers during the year ended June 30, 2025 were as follows:

Transfers out:	<u>Transfers in:</u>
General Fund	Capital
	Projects
	<u>Fund</u>
	<u>\$ 1,051,593</u>

The primary purpose of the interfund transfers was to fund capital outlay expenditures in the Capital Projects Fund.

H. Charges for Services - Ambulance

The District's ambulance billings in the General Fund are net of discounts for capitation and insurance adjustments. Charges for services - ambulance at June 30, 2025 consisted of the following:

GEMT charges	\$ 385,706
Ambulance fees	3,876,579
Ambulance discounts	<u>(467,345)</u>
Charges for services - ambulance	<u>\$ 3,794,940</u>

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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

I. Constraints on Fund Balances

Constraints on fund balances reported on the balance sheet are as follows:

	General Fund	Capital Projects Fund	Nonmajor MERCC Fund	Total Governmental Funds
Fund balances:				
Nonspendable: prepaid expenses	\$ 248,146	\$ -	\$ -	\$ 248,146
Restricted for:				
Donor and grantor projects	33,317	-	-	33,317
Committed to:				
Building needs	-	1,000,000	-	1,000,000
Equipment needs	-	716,805	-	716,805
Future capital projects		-	187,084	187,084
Assigned to:				
Operating needs	50,000	-	-	50,000
Workers compensation reserves	50,000	-	-	50,000
Unassigned	7,847,330	-	-	7,847,330
 Total fund balances	\$ 8,228,793	\$ 1,716,805	\$ 187,084	\$ 10,132,682

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.

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NOTES TO BASIC FINANCIAL STATEMENTS

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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.

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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%.

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NOTES TO BASIC FINANCIAL STATEMENTS

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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.

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%.

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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.

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, 2022 actuarial valuation, which became effective July 1, 2023. Employer contributions for the year ended June 30, 2025 were \$2,005,367, excluding amounts to fund employer-specific liabilities. The rates in effect for the fiscal year ended June 30, 2025 were 29.2% for Tier One/Tier Two general service members, 29.2% for Tier One/Tier Two police and fire members, 19.37% for OPSRP Pension Program general service members, 24.16% for OPSRP Pension Program police and fire members, and 6% for OPSRP IAP. The District has elected to make the payments on behalf of its employees for the OPSRP IAP.

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NOTES TO BASIC FINANCIAL STATEMENTS

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

At June 30, 2025, the District reported a liability of \$12,097,941 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022 rolled forward to June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan, relative to the projected contributions of all participating entities, actuarially determined. At the June 30, 2024 measurement date, the District's proportion was 0.054%, which decreased from its proportion of 0.067% measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized pension expense of \$2,000,665. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 716,691	\$ 28,874
Change in assumptions	1,216,331	1,558
Net difference between projected and actual earnings on investments	768,558	-
Change in proportionate share	1,450,022	1,715,508
Differences between employer contributions and employer's proportionate share of system contributions	229,975	502,855
Total (prior to post-MD contributions)	4,381,577	2,248,795
Contributions subsequent to the MD	1,987,988	-
Total	\$ 6,369,565	\$ 2,248,795

Deferred outflows of resources related to pensions of \$1,987,988 resulting from the District's contributions subsequent to the measurement date will be recognized as either a reduction of the net pension liability or an increase in the net pension asset in the year ended June 30, 2026.

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

Subsequent fiscal years	Deferred Outflows/ (Inflows) of Resources
1st Fiscal Year	\$ (5,614)
2nd Fiscal Year	1,329,349
3rd Fiscal Year	677,867
4th Fiscal Year	159,283
5th Fiscal Year	(28,103)

5. Actuarial Assumptions

The employer contribution rates effective July 1, 2023 through June 30, 2025 were set using the entry age normal actuarial cost method. For the 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 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.

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The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2022
Measurement Date	June 30, 2024
Experience Study	2022, published July 24, 2023
Actuarial Assumptions:	
Actuarial Cost Method	Entry Age Normal
Inflation Rate	2.40%
Long-Term Expected Rate of Return	6.90%
Discount Rate	6.90%
Projected Salary Increases	3.40%
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25% / 0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy retirees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

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 2022 Experience Study, which reviewed experience for the six-year period ending on December 31, 2022.

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6. Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023, the Public Employees Retirement System 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-looking capital market economic model. For more information on the Plan’s portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see OPERS’ annual comprehensive financial report, which can be obtained at: <https://www.oregon.gov/pers/emp/pages/annual-reports.aspx>.

7. Discount Rate

The discount rate used to measure the total pension liability was 6.90% for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

8. Sensitivity of the District’s Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the District’s proportionate share of the net pension liability (asset) calculated using the discount rate of 6.90%, as well as what the District’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.90%) or one percentage point higher (7.90%) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net pension liability (asset)	\$ 19,084,011	\$ 12,097,941	\$ 6,246,767

9. Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued OPERS annual comprehensive financial report.

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C. Other Post-Employment Benefits - PERS Retirement Health Insurance Account (RHIA)

1. Plan Description

The District contributes to the PERS Retirement Health Insurance Account (RHIA), established by ORS 238.420, for each of its eligible employees. RHIA is a cost-sharing, multiple-employer, other postemployment benefit plan administered by OPERS. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants hired after August 29, 2003. OPERS issues a publicly available annual comprehensive financial report, which can be obtained at: <https://www.oregon.gov/pers/emp/pages/annual-reports.aspx>.

2. Benefits Provided

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the RHIA established by the employer, and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. 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. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if they (1) are receiving a retirement benefit or allowance from PERS or (2) were insured at the time the member died and the member retired before May 1, 1991.

3. Contributions

PERS' funding policy provides for 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 for the period were based on the December 31, 2022 actuarial valuation, which became effective July 1, 2023. The District's contribution rates for the period were 0.05% for Tier One/Tier Two members to fund the normal cost portion of RHIA benefits. No unfunded actuarial accrued liability rate was assigned for the RHIA program as it was funded at 221.3% as of December 31, 2023. Typically, PERS employers contribute an actuarially determined percentage of all PERS-covered salaries to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities being amortized over 10 years.

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NOTES TO BASIC FINANCIAL STATEMENTS

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4. OPEB Assets, Liabilities, Expense, and Deferred Outflows and Inflows of Resources Related to RHIA

At June 30, 2025, the District reported an asset of \$176,641 for its proportionate share of the OPERS net OPEB asset. The net OPEB asset was measured as of June 30, 2024, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2022 rolled forward to June 30, 2024. The District's proportion of the net OPEB asset was based on the District's contributions to the RHIA program during the measurement period relative to contributions from all participating employers. At the June 30, 2024 measurement date, the District's proportionate share was 0.044%, which decreased from its proportion of 0.050% measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized OPEB credit from this plan of \$4,645. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 3,455
Change in assumptions	-	2,234
Net difference between projected and actual earnings on investments	4,987	-
Change in proportionate share	11,796	-
Total (prior to post-MD contributions)	16,783	5,689
Contributions subsequent to the MD	-	-
Total	\$ 16,783	\$ 5,689

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Subsequent fiscal years	Deferred Outflows/ (Inflows) of Resources
1st Fiscal Year	\$ 772
2nd Fiscal Year	7,048
3rd Fiscal Year	2,698
4th Fiscal Year	576

REDMOND FIRE & RESCUE
Redmond, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

5. Actuarial Methods and Assumptions

The RHIA plan is unaffected by healthcare cost trends since the benefit is limited to a \$60 monthly payment toward Medicare companion insurance premiums; consequently, the disclosure of a healthcare cost trend is not applicable. Other significant actuarial assumptions are consistent with those disclosed for the OPERS pension plan in Note III-B.5.

6. Long-Term Expected Rate of Return

The long-term expected rate of return assumptions for the OPEB plan are consistent with those disclosed for the OPERS pension plan in Note III-B.6.

7. Discount Rate

The discount rate used to measure the total OPEB liability was 6.90% for the OPEB plan. 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 OPEB plan's net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the OPEB plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

8. Sensitivity of the District's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the District's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 6.90%, as well as what the District's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.90%) or one percentage point higher (7.90%) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net OPEB liability (asset)	\$ (163,516)	\$ (176,641)	\$ (187,943)

9. OPEB Plan Fiduciary Net Position

Detailed information about the other postemployment benefit plan's fiduciary net position is available in the separately issued OPERS annual comprehensive financial report.

REDMOND FIRE & RESCUE
Redmond, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

D. Other Post-Employment Benefits - District Medical Benefit Plan

1. Plan Description

The District Medical Benefit Plan consists of a single-employer retiree benefit plan that provides postemployment health, dental, vision, and life insurance benefits to eligible employees and their dependents.

2. Benefits Provided

Plan benefits are established by the Oregon Legislature, pursuant to ORS Chapter 243. 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.

The difference between retiree claims costs, which because of the effect of age is generally higher in comparison to all plan members, and the amount of retiree healthcare premiums represents the District's implicit employer contributions.

The calculated OPEB liability is derived using the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members at that point.

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision, as results are compared to past expectations and new estimates are made about the future. Actuarial calculations of the OPEB plan reflect a long-term perspective.

Medical Benefit Membership and Eligibility

Benefits and eligibility for members are established through collective bargaining agreements. All classes of employees are eligible to continue coverage upon retirement. Qualified spouses, domestic partners, and children may qualify for coverage.

Medical Benefit Duration and Amount

Coverage for retirees and eligible dependents continues until Medicare eligibility for each individual (or until dependent children become ineligible).

Participant Statistics

As of July 1, 2023, there were 65 active participants and 3 retired participants in the Medical Benefit Plan. The average age of active participants and retired participants was 38.8 and 59, respectively. The District did not establish an irrevocable trust (or equivalent arrangement) to account for the plan.

REDMOND FIRE & RESCUE
Redmond, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

3. Funding Policy

The benefits from this program are paid by the District 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.

4. Actuarial Methods and Assumptions

The total OPEB liability in the July 1, 2023 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	July 1, 2023
Measurement Date/Fiscal Year End	June 30, 2024 through June 30, 2025
Actuarial Assumptions:	
Actuarial Cost Method	Entry Age Normal
Interest Rate for Discounting Future Liabilities	3.93% per year, based on all years discounted at municipal bond rate
Inflation Rate	2.40% per year
Salary Scale	3.40% per year
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy retirees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

Turnover rates were based on percentages developed for the valuation of benefits under Oregon PERS and vary by years of service.

REDMOND FIRE & RESCUE
Redmond, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

Disability rates were based on percentages developed for the valuation of benefits under Oregon PERS and vary by employee age.

Current and future retirees are assumed to remain enrolled in the plans in which they are currently enrolled, if any. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

5. Total OPEB Liability, Expense, and Deferred Outflows and Inflows of Resources Related to the Medical Benefit Plan

The District's total OPEB liability of \$547,686 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2023.

For the fiscal year ended June 30, 2025, the District recognized OPEB expense from this plan of \$75,542.

	<u>Total OPEB Liability</u>
Beginning balance	\$ 528,630
Changes for the year:	
Service cost	44,764
Interest on total OPEB liability	20,344
Effect of assumption changes or inputs	(13,730)
Benefit payments	<u>(32,322)</u>
Ending balance	<u>\$ 547,686</u>

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 141,795	\$ -
Change in assumptions	20,880	61,934
Benefit payments	<u>35,222</u>	<u>-</u>
Total	<u>\$ 197,897</u>	<u>\$ 61,934</u>

REDMOND FIRE & RESCUE
Redmond, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

Deferred outflows of resources related to OPEB of \$35,222 resulting from the District’s benefit payments will be recognized as either a reduction of the net OPEB liability or an increase in the net OPEB asset in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Amortization Period Ending June 30	Deferred Outflows/ (Inflows) of Resources
1st fiscal year	\$ 10,434
2nd fiscal year	10,434
3rd fiscal year	10,434
4th fiscal year	10,434
5th fiscal year	10,434
Thereafter	48,571

6. Sensitivity of the Net OPEB Liability

The following presents the net OPEB liability, calculated using the discount rate of 3.93%, as well as what the liability would be if it were calculated using a discount rate that is one percentage point lower (2.93%) or one percentage point higher (4.93%) than the current discount rate.

	Discount Rate		
	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Total OPEB liability	\$ 596,492	\$ 547,686	\$ 503,295

The following presents the net OPEB liability, calculated using the healthcare cost trend rate of 5.75% graded down to 3.75%, as well as what the liability would be if it were calculated using a rate that is one percentage point lower (4.75%) or one percentage point higher (6.75%) than the current healthcare cost trend rate.

	Healthcare Cost Trend		
	1% Decrease (4.75%)	Current Trend Rate (5.75%)	1% Increase (6.75%)
Total OPEB liability	\$ 486,617	\$ 547,686	\$ 620,760

REDMOND FIRE & RESCUE
Redmond, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

E. Deferred Compensation Plans

The District provides tax-deferred annuity contracts with Oregon Savings Growth, VOYA, and Empower, established under Section 457 of the Internal Revenue Code. Participation in the programs is voluntary. There is no vesting. Contributions are made from salary deductions from participating employees within the limits specified in the code. The District does not make any contributions to these plans. There are no forfeitures. The employer's liability outstanding as of year end was \$0.

The District provides tax-deferred income benefits with Oregon Fire District Directors Association, administered by VALIC Financial Advisors, established under Section 457 of the Internal Revenue Code. Participation in the program is voluntary. See the table below for vesting information. Contributions are made from discretionary contributions made by the District based on volunteer service within the limits specified in the code. During the year, the District reported \$30,291 in pension expense, net of \$6,709 in forfeitures. The employer's liability outstanding as of year end was \$0.

<u>Years of Vesting</u>	<u>Vested Interest</u>
5 years, but less than 6	50%
6 years, but less than 7	60%
7 years, but less than 8	70%
8 years, but less than 10	80%
9 years, but less than 9	90%
10 years or more	100%

F. 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.

REDMOND FIRE & RESCUE
Redmond, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

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.

G. Subsequent Events

Management has evaluated subsequent events through December 27, 2025, which was the date the financial statements were available to be issued.

1. Fire Alert System Purchase

On August 19, 2025, Redmond Fire & Rescue purchased a fire alert system for \$238,813.

REQUIRED SUPPLEMENTARY INFORMATION

REDMOND FIRE & RESCUE
Redmond, Oregon

SCHEDULES OF THE PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY AND CONTRIBUTIONS

OREGON PERS SYSTEM

Schedule of the Proportionate Share of the Net Pension Liability

Year Ended June 30	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share net pension liability (NPL)	(c) Employer's covered payroll	(b/c) NPL as a % of covered payroll	Plan fiduciary net position as a % of the total pension liability
2016	0.05922300%	\$ 3,400,266	\$ 4,049,068	83.98%	91.88%
2017	0.05709930%	8,570,916	4,264,819	200.97%	80.53%
2018	0.05411390%	7,294,569	4,394,739	165.98%	83.12%
2019	0.04946500%	7,493,301	4,307,867	173.94%	82.07%
2020	0.05571440%	9,637,252	4,637,326	207.82%	80.20%
2021	0.05259270%	11,477,527	4,983,713	230.30%	75.79%
2022	0.05170960%	6,187,816	5,036,860	122.85%	87.60%
2023	0.05264107%	8,060,404	5,242,414	153.75%	84.50%
2024	0.06722320%	12,591,367	6,121,398	205.69%	81.70%
2025	0.05442844%	12,097,941	6,059,904	199.64%	79.30%

Schedule of Contributions

Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution liability (NPL)	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a % of covered payroll
2016	\$ 883,761	\$ (883,761)	\$ -	\$ 4,246,705	20.81%
2017	786,004	(786,004)	-	4,235,547	18.56%
2018	1,158,776	(1,158,776)	-	4,314,800	26.86%
2019	1,211,619	(1,211,619)	-	5,141,147	23.57%
2020	1,466,546	(1,466,546)	-	4,896,136	29.95%
2021	1,540,567	(1,540,567)	-	5,919,562	26.03%
2022	1,629,931	(1,629,931)	-	6,286,427	25.93%
2023	1,380,478	(1,380,478)	-	6,115,687	22.57%
2024	1,625,654	(1,625,654)	-	6,516,450	24.95%
2025	1,987,988	(1,987,988)	-	8,152,405	24.39%

REDMOND FIRE & RESCUE
Redmond, Oregon

SCHEDULES OF THE PROPORTIONATE SHARE OF THE
NET OPEB ASSET AND CONTRIBUTIONS

OREGON PERS SYSTEM

Schedule of the Proportionate Share of the Net OPEB RHIA

Year Ended June 30	(a) Employer's proportion of the net OPEB RHIA liability (asset)	(b) Employer's proportionate share net OPEB RHIA liability (asset)	(c) Employer's covered payroll	(b/c) NPL as a % of covered payroll	Plan fiduciary net position as a % of the total OPEB RHIA liability (asset)
2017	0.04568219%	\$ 12,406	\$ 4,264,819	0.29%	94.15%
2018	0.04234038%	(17,670)	4,394,739	-0.40%	108.88%
2019	0.04455608%	(49,737)	4,307,867	-1.15%	123.99%
2020	0.05095000%	(98,453)	4,637,326	-2.12%	144.40%
2021	0.03242432%	(66,068)	4,983,713	-1.33%	150.07%
2022	0.07757218%	(266,383)	5,036,860	-5.29%	183.90%
2023	0.05139830%	(182,636)	5,242,414	-3.48%	194.60%
2024	0.04972996%	(182,094)	6,121,398	-2.97%	201.60%
2025	0.04373303%	(176,641)	6,059,904	-2.91%	220.60%

Schedule of Contributions

Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution liability (NPL)	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a % of covered payroll
2017	\$ 21,184	\$ (21,184)	\$ -	\$ 4,235,547	0.50%
2018	21,574	(21,574)	-	4,314,800	0.50%
2019	25,525	(25,525)	-	5,141,147	0.50%
2020	2,315	(2,315)	-	4,896,136	0.05%
2021	2,076	(2,076)	-	5,919,562	0.04%
2022	1,267	(1,267)	-	6,286,427	0.02%
2023	980	(980)	-	6,115,687	0.02%
2024	35	(35)	-	6,516,450	0.00%
2025	-	-	-	8,152,405	0.00%

REDMOND FIRE & RESCUE
Redmond, Oregon

SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS

MEDICAL BENEFIT PLAN

Schedule of Changes and Related Ratios

Year Ended June 30	(a) Total Beginning Medical Benefit	(b) Service Cost	(c) Interest	(d) Effect of Economic and Demographic Gains or Losses	(e) Change in Assumptions
2018	\$ 178,186	\$ 23,831	\$ 5,687	\$ -	\$ (13,597)
2019	189,175	22,495	7,487	-	(5,754)
2020	208,261	22,687	8,823	16,942	10,048
2021	260,777	29,855	10,042	-	20,729
2022	313,894	34,759	7,617	54,576	4,312
2023	407,104	40,272	9,470	-	(47,444)
2024	391,395	33,112	14,712	113,419	(5,996)
2025	528,630	44,764	20,344	-	(13,730)

Year Ended June 30	(f) Benefit Payments	(g) Total Ending Medical Benefit	(h) Employer's covered payroll	(i) Medical Benefit as a % of covered payroll
2018	\$ (4,932)	\$ 189,175	\$ 4,314,800	4.38%
2019	(5,142)	208,261	5,141,147	4.05%
2020	(5,984)	260,777	4,896,136	5.33%
2021	(7,509)	313,894	5,919,562	5.30%
2022	(8,054)	407,104	6,286,427	6.48%
2023	(18,007)	391,395	6,115,687	6.40%
2024	(18,012)	528,630	6,516,450	8.11%
2025	(32,322)	547,686	8,152,405	6.72%

REDMOND FIRE & RESCUE
Redmond, Oregon

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

GENERAL FUND

For the Year Ended June 30, 2025

	Original Budget	Final Budget	Variance with Final Budget Over (Under)	Actual GAAP Basis
REVENUES				
Property taxes	\$ 13,211,000	\$ 13,211,000	\$ 137,776	\$ 13,348,776
Charges for services	3,607,360	3,607,360	187,580	3,794,940
Investment earnings	155,000	155,000	332,712	487,712
Grants and contributions	-	75,000	22,608	97,608
Contract services - airport	758,706	758,706	62,002	820,708
Conflagration	25,000	25,000	(25,000)	-
Miscellaneous	21,000	21,000	20,233	41,233
Total revenues	<u>17,778,066</u>	<u>17,853,066</u>	<u>737,911</u>	<u>18,590,977</u>
EXPENDITURES				
Current				
Operations - EMS Operations	1,347,632	1,697,420	(249,253)	1,448,167
Operations - Fire & Rescue Operations	12,773,402	12,045,991	(303,964)	11,742,027
Operations - Fire & Rescue Training	407,673	496,651	(30,447)	466,204
Administrative	1,317,552	1,595,424	(330,019)	1,265,405
Fire & Life Safety	394,953	496,166	(37,829)	458,337
Facilities, Vehicles & Equipment	1,008,854	993,414	(65,677)	927,737
Debt service	528,000	528,000	(2,511)	525,489
Contingency	5,118,934	6,211,311	(6,211,311)	-
Total expenditures	<u>22,897,000</u>	<u>24,064,377</u>	<u>(7,231,011)</u>	<u>16,833,366</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,118,934)</u>	<u>(6,211,311)</u>	<u>7,968,922</u>	<u>1,757,611</u>
OTHER FINANCING SOURCES (USES)				
Sale of assets	-	-	4,164	4,164
Insurance reimbursements	-	-	155,707	155,707
Transfers out	(251,593)	(1,051,593)	-	(1,051,593)
Total other financing sources (uses)	<u>(251,593)</u>	<u>(1,051,593)</u>	<u>159,871</u>	<u>(891,722)</u>
Net change in fund balance	(5,370,527)	(7,262,904)	8,128,793	865,889
Fund balance - beginning	<u>5,470,527</u>	<u>7,362,904</u>	<u>-</u>	<u>7,362,904</u>
Fund balance - ending	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 8,128,793</u>	<u>\$ 8,228,793</u>

OTHER SUPPLEMENTARY INFORMATION

REDMOND FIRE & RESCUE
Redmond, Oregon

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

CAPITAL PROJECTS FUND

For the Year Ended June 30, 2025

	Original Budget	Final Budget	Variance with Final Budget Over (Under)	Actual GAAP Basis
REVENUES				
Grants	\$ -	\$ -	\$ 49,877	\$ 49,877
EXPENDITURES				
Capital outlay	<u>600,000</u>	<u>1,778,420</u>	<u>(3,850)</u>	<u>1,774,570</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(600,000)</u>	<u>(1,778,420)</u>	<u>53,727</u>	<u>(1,724,693)</u>
OTHER FINANCING SOURCES (USES)				
Sale of assets	-	-	2,500	2,500
Insurance reimbursements	-	-	99,381	99,381
Loan proceeds	-	1,150,000	(38,803)	1,111,197
Transfers in	<u>251,593</u>	<u>1,051,593</u>	<u>-</u>	<u>1,051,593</u>
Total other financing sources (uses)	<u>251,593</u>	<u>2,201,593</u>	<u>63,078</u>	<u>2,264,671</u>
Net change in fund balance	(348,407)	423,173	116,805	539,978
Fund balance - beginning	<u>1,148,407</u>	<u>1,176,827</u>	<u>-</u>	<u>1,176,827</u>
Fund balance - ending	<u>\$ 800,000</u>	<u>\$ 1,600,000</u>	<u>\$ 116,805</u>	<u>\$ 1,716,805</u>

REDMOND FIRE & RESCUE
Redmond, Oregon

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

MERCC FUND

For the Year Ended June 30, 2025

	Original Budget	Final Budget	Variance with Final Budget Over (Under)	Actual GAAP Basis
REVENUES				
Charges for services	\$ -	\$ -	\$ 70,309	\$ 70,309
EXPENDITURES				
Capital outlay	-	-	-	-
Contingency	43,938	43,938	(43,938)	-
Total expenditures	43,938	43,938	(43,938)	-
Excess (deficiency) of revenues over (under) expenditures	(43,938)	(43,938)	114,247	70,309
Fund balance - beginning	63,938	63,938	52,837	116,775
Fund balance - ending	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 167,084</u>	<u>\$ 187,084</u>

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



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

Board of Directors
Redmond Fire & Rescue
Redmond, Oregon 97756

We have audited the basic financial statements of Redmond Fire & Rescue as of and for the year ended June 30, 2025, and have issued our report thereon December 27, 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 Redmond Fire & Rescue'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 repayments

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)

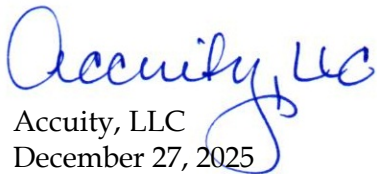
Public contracts and purchasing (ORS Chapters 279A, 279B, 279C)

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 Redmond Fire & Rescue’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 Redmond Fire & Rescue’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Redmond Fire & Rescue’s internal control over financial reporting.

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


Accuity, LLC
December 27, 2025