



SILVERTON FIRE DISTRICT
Marion County, Oregon

ANNUAL FINANCIAL REPORT

June 30, 2026



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SILVERTON FIRE DISTRICT
Marion County, Oregon

DISTRICT OFFICIALS

June 30, 2026

BOARD OF DIRECTORS

Les Von Flue, President

Stacy Palmer, Vice President

Robert Mengucci, Secretary-Treasurer

Dixon Bledsoe

Phil Sowa

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

FIRE CHIEF AND REGISTERED AGENT

Bill Miles
4441 Edison Road NE
Silverton, Oregon 97381

LEGAL COUNSEL

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

DISTRICT ADDRESS

819 Railway Avenue NE
Silverton, Oregon 97381

SILVERTON FIRE DISTRICT
Marion County, Oregon

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Board of Directors
Silverton Fire District
Silverton, Oregon 97381

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the remaining fund information of Silverton Fire District, Marion County, Oregon, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the remaining fund information of Silverton Fire District, Marion County, Oregon as of June 30, 2026, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note I.

Basis for Opinions

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

Emphasis of Matter - Basis of Accounting

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

Emphasis of Matter - Change in Accounting Principle

As described in the notes to the financial statements, in the year ended June 30, 2026, the District adopted new accounting guidance: Governmental Accounting Standards Board (GASB) Statement No. 103, *Financial Reporting Model Improvements* and GASB Statement No. 104, *Disclosure of Certain Capital Assets*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Silverton Fire District, Marion County, 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 Silverton Fire District, Marion County, 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 Silverton Fire District, Marion County, Oregon's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Silverton Fire District, Marion County, Oregon's basic financial statements. The budgetary comparison information and 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 budgetary comparison information and individual fund schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the management's discussion and analysis, but does not include the basic financial statements or our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Other Legal and Regulatory Requirements

In accordance with the Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated August 20, 2026 on our tests of the District's compliance with certain provisions of laws and regulations specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Accuity, LLC

By: 
Glen O. Kearns, CPA

Albany, Oregon
August 20, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

SILVERTON FIRE DISTRICT

Marion County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Silverton Fire District, Marion County, Oregon, we offer readers this narrative overview and analysis of the financial statements of the District for the fiscal year ended June 30, 2026, focusing on why amounts changed from the prior year. We encourage readers to consider the information here in conjunction with the District's financial statements, which follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Basis of Accounting

The District has elected to present its financial statements on the modified cash basis of accounting. This modified cash basis of accounting is a basis of accounting other than accounting principles generally accepted in the United States of America. Basis of accounting is a reference to when financial events are recorded, such as the timing for recognizing revenues, expenses, and their related assets and liabilities. Under the District's modified cash basis of accounting, revenues and expenses and related assets and liabilities are recorded when they result from cash transactions.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenues for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable, expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the modified cash basis of accounting.

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 government-wide financial statements include governmental activities.

The statement of net position presents financial information on all of the District's assets and liabilities, 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 cash flow related to the underlying event is received or expended.

SILVERTON FIRE DISTRICT

Marion County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

Both of the government-wide financial statements present functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include fire suppression.

The government-wide financial statements can be found on pages 12 through 13 of this report.

Fund Financial Statements

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

Silverton Fire District maintains six individual governmental funds. Information is presented separately in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Personnel Reserve, Debt Service, and Capital Reserve Funds, all of which are considered to be major governmental funds, as well as for the Capital Improvement Fund, which is considered to be a nonmajor governmental fund. The Volunteer Incentive Fund is presented as part of the General Fund for appropriate presentation in accordance with Governmental Accounting Standards Board (GASB) Statement No. 54.

The basic governmental fund financial statements can be found on pages 14 through 17 of this report.

SILVERTON FIRE DISTRICT
Marion County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is necessary to acquire a full understanding of the data provided in the basic financial statements. Silverton Fire District uses these notes to: (1) present information in greater detail than is possible within the basic financial statements themselves, (2) explain the nature of amounts reported in the basic financial statements and how those amounts were determined, and (3) report certain information that does not meet the requirements for inclusion in the basic financial statements (such as certain contingencies). The notes to the basic financial statements can be found on pages 18 through 38 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information, which includes budgetary comparison information and individual fund schedules. This supplementary information can be found on pages 39 through 47 of this report.

FINANCIAL SUMMARY

Net Position

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. At June 30, 2026, the District's assets exceeded liabilities by \$6,937,308.

Condensed Statement of Net Position

	Governmental Activities	
	2026	2025
Assets		
Current assets	\$ 2,526,093	\$ 2,550,760
Restricted assets	266,509	248,107
Capital assets, net	<u>5,639,706</u>	<u>5,740,863</u>
Total assets	<u>8,432,308</u>	<u>8,539,730</u>
Liabilities		
Current liabilities	350,000	335,000
Noncurrent liabilities	<u>1,145,000</u>	<u>1,495,000</u>
Total liabilities	<u>1,495,000</u>	<u>1,830,000</u>
Net position		
Net investment in capital assets	4,144,706	3,910,863
Restricted for various purposes	266,509	248,107
Unrestricted	<u>2,526,093</u>	<u>2,550,759</u>
	<u>\$ 6,937,308</u>	<u>\$ 6,709,730</u>

SILVERTON FIRE DISTRICT
Marion County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

A large portion of Silverton Fire District's net position, \$4,144,706, reflects its investment in capital assets (e.g., land, buildings, and equipment), net of accumulated depreciation, less any related outstanding debt that was used to acquire those assets. The District uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of Silverton Fire District's net position, \$266,509, represents resources that are subject to restrictions on how they may be used. As of the end of the current fiscal year, the District's unrestricted net position was \$2,526,093.

Changes in Net Position

Silverton Fire District's overall net position increased by \$227,579 from the prior year.

Condensed Statement of Activities

	Governmental Activities	
	2026	2025
Program revenues		
Charges for services	\$ 355,259	\$ 297,758
Operating grants and contributions	80,279	80,623
Capital grants and contributions	202,781	-
Total program revenues	638,319	378,381
General revenues		
Property taxes - general	1,917,481	1,831,646
Property taxes - debt service	383,156	374,416
Investment earnings	97,465	122,669
Miscellaneous	10,632	20,454
Total general revenues	2,408,734	2,349,185
Total revenues	3,047,053	2,727,566
Program expenses		
Fire suppression	2,819,474	2,732,622
Change in net position	227,579	(5,056)
Net position - beginning	6,709,730	6,714,786
Net position - ending	\$ 6,937,308	\$ 6,709,730

SILVERTON FIRE DISTRICT
Marion County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

DETAILED ANALYSIS

Government-Wide Financial Analysis

Governmental Activities

Significant changes in governmental activities from the prior year include:

- Capital grants and contributions increased by \$202,781 from the prior year. This increase is attributable to a \$200,000 donation received by the District during the fiscal year, along with \$2,781 in additional miscellaneous donations received from the community and other sources.
- Miscellaneous revenue decreased by \$9,822 (48%) from the prior year. This decrease is attributable to the year-to-year fluctuation of miscellaneous revenue sources, such as public records request fees, insurance rebates, and other one-time or irregular receipts. These revenues can vary significantly from one fiscal year to the next.

Financial Analysis of Major Governmental Funds

As noted earlier, Silverton Fire District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. At the end of the current fiscal year, the District's major governmental funds reported combined fund balances of \$2,792,602. Of this amount, \$1,410,571 constitutes unassigned fund balance, which is available for spending at the District's discretion.

Personnel Reserve Fund

Significant changes in fund balance of the Personnel Reserve Fund from the prior year include:

- The Personnel Reserve Fund is used to account for personnel-related costs. Fund balance restricted for staffing grants decreased by \$46,046 (28%) from the prior year. This decrease is attributable to the District entering Year 3 of the OSFM Capacity Grant, which requires the District to fund 50% of the associated personnel service costs. In addition, budgeted personnel costs are based on projections and estimated future costs. While the District makes every effort to develop accurate forecasts, actual personnel expenditures may differ from budgeted amounts due to changes in staffing, wages, benefits, and other personnel-related costs.

SIGNIFICANT CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY

Capital Assets

Silverton Fire District's investment in capital assets for its governmental activities as of June 30, 2026 amounted to \$5,639,706 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, and vehicles and equipment. The total decrease in capital assets during the current fiscal year was \$101,156 (2%).

SILVERTON FIRE DISTRICT
Marion County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

Major capital asset events during the fiscal year included the following:

- Ladder truck engine head repair at a total cost of \$5,664.
- Fire engine transmission replacement at a cost of \$11,773.
- Progress on two type 6 brush truck builds. Construction in progress at the close of the fiscal year had reached \$296,828.
- Progress on 6x6 brush truck upgrade and build. Construction in progress at the close of the fiscal year had reached \$87,937.

Additional information on the District's capital assets can be found in Note II-B on page 30 of this report.

Long-Term Financing

At the end of the current fiscal year, Silverton Fire District had total long-term financing liabilities of \$1,495,000, composed of general obligation bonds. During the current year, long-term financing liabilities decreased by \$335,000 (18%).

Major long-term financing events during the fiscal year included the following:

- Silverton Fire District's general obligation debt is privately placed and, based on the District's published financial records does not have publicly documented ratings from S&P, Fitch, or Moody's. The District's Series 2015 GO Bond was issued through a direct placement with JPMorgan Chase at 2.25%.

Additional information on the District's long-term financing can be found in Note II-C on page 31 of this report.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

Silverton Fire District is aware of the following items that are expected to have a significant effect on net position or results of operations in the next reporting period.

- Economic Developments
 - The unemployment rate is currently 5%, which is a slight decrease from a rate of 5.1% in the previous year.
 - Property tax revenue is expected to increase by 3% in the 2026-2027 fiscal year.

SILVERTON FIRE DISTRICT
Marion County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Interest rates are expected to continue to slightly decrease throughout the 2026-2027 fiscal year.
- Population has increased 0.6% over the previous year.
- Healthcare and Postemployment Benefits
 - The District continues to work with its insurance broker to identify more affordable coverage options and manage rising healthcare costs. For the 2026-2027 fiscal year, the district and employees elected to move to a higher deductible plan as a cost-containment measure to help offset the 10% premium increase while maintaining comprehensive employee healthcare coverage.
 - The funding of pension and other postemployment benefit plans will continue to restrict the District's ability to spend in other areas. PERS employer contribution rates have increased for the period of July 1, 2025 through June 30, 2027.
- Nonrecurring Grants
 - The following grants were received in the current fiscal year and are considered a nonrecurring revenue source: OSFM WFS Upstaff Grant, OSFM Capacity Grant (the last year), OSFM WLFF Academy, FEMA AFG, SDAO Safety & Security Grant, Salem Health Grant, SLCGP Cyber Security Grant. Management cautions that the significant increase in unrestricted net position and operating surplus reported this year should not be expected to repeat in the subsequent fiscal year.
- Debt Service
 - The Series 2015 General Obligation Bond is a 14-year direct placement with JPMorgan Chase, bearing an interest rate of 2.25%. The original principal amount was \$4,155,000, with total interest over the life of the bond amounting to \$785,285. The combined total repayment obligation is \$4,940,285. Bond payments are structured with annual principal and interest payments due by December 1 of each year, and an additional interest-only payment due by June 1. Over the term of the bond, the principal portion of the payment increases annually, while the interest portion decreases correspondingly. The final payment, consisting of \$400,000 in principal and \$4,500 in interest, is scheduled for December 1, 2029. The tenth principal payment of \$335,000 and corresponding interest payment of \$20,588 were due on December 1, 2025. Additionally, an interest-only payment of \$16,819 was due on June 1, 2026. The total payment obligation for this period amounted to \$372,407.

SILVERTON FIRE DISTRICT
Marion County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Silverton Fire District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Fire Chief, Silverton Fire District, 819 Railway Avenue NE, Silverton, Oregon 97381.

BASIC FINANCIAL STATEMENTS

SILVERTON FIRE DISTRICT
Marion County, Oregon

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

June 30, 2026

	<u>Governmental Activities</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 2,526,093
Restricted assets	
Cash and cash equivalents	<u>266,509</u>
Noncurrent assets	
Capital assets not being depreciated	720,036
Capital assets being depreciated, net	<u>4,919,670</u>
Total noncurrent assets	<u>5,639,706</u>
Total assets	<u>8,432,308</u>
LIABILITIES	
Current liabilities	
Long-term liabilities, current portion	350,000
Noncurrent liabilities	
Long-term liabilities, less current portion	<u>1,145,000</u>
Total liabilities	<u>1,495,000</u>
NET POSITION	
Net investment in capital assets	4,144,706
Restricted for:	
Debt service	81,263
Staffing grant	119,246
Vehicle purchase	66,000
Unrestricted	<u>2,526,093</u>
Total net position	<u>\$ 6,937,308</u>

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

SILVERTON FIRE DISTRICT
Marion County, Oregon

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the Year Ended June 30, 2026

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for	Operating	Capital	Revenue and
		Services	Grants and	Grants and	Changes in
			Contributions	Contributions	Net Position
					Governmental
					Activities
Governmental activities					
Fire suppression	\$ 2,819,474	\$ 355,259	\$ 80,279	\$ 202,781	\$ (2,181,155)
General revenues					
Property taxes levied for general purposes					1,917,481
Property taxes levied for debt service					383,156
Investment earnings					97,465
Miscellaneous					10,632
Total general revenues					2,408,734
Change in net position					227,579
Net position - beginning					6,709,730
Net position - ending					\$ 6,937,308

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

SILVERTON FIRE DISTRICT
Marion County, Oregon

BALANCE SHEET - MODIFIED CASH BASIS

GOVERNMENTAL FUNDS

June 30, 2026

	General Fund	Special Revenue Fund Personnel Reserve	Debt Service Fund	Capital Projects Fund Capital Reserve	Nonmajor Governmental Fund Capital Improvement	Total Governmental Funds
ASSETS						
Cash and cash equivalents	<u>\$ 1,476,635</u>	<u>\$ 437,592</u>	<u>\$ 81,263</u>	<u>\$ 797,112</u>	<u>\$ -</u>	<u>\$ 2,792,602</u>
FUND BALANCES						
Restricted	\$ 66,000	\$ 119,246	\$ 81,263	\$ -	\$ -	\$ 266,509
Committed	64	318,346	-	797,112	-	1,115,522
Unassigned	<u>1,410,571</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,410,571</u>
Total fund balances	<u>\$ 1,476,635</u>	<u>\$ 437,592</u>	<u>\$ 81,263</u>	<u>\$ 797,112</u>	<u>\$ -</u>	<u>\$ 2,792,602</u>

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

SILVERTON FIRE DISTRICT
Marion County, Oregon

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

June 30, 2026

Total fund balances			\$ 2,792,602
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but rather, is recognized as an expenditure when due. These liabilities consist of:			
Bonds payable			(1,495,000)
Capital assets are not financial resources and are therefore not reported in the governmental funds:			
Cost	10,036,401		
Accumulated depreciation	<u>(4,396,695)</u>	<u>5,639,706</u>	
Net position of governmental activities			<u><u>\$ 6,937,308</u></u>

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

SILVERTON FIRE DISTRICT
Marion County, Oregon

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

GOVERNMENTAL FUNDS

For the Year Ended June 30, 2026

	General Fund	Special Revenue Fund Personnel Reserve	Debt Service Fund	Capital Projects Fund Capital Reserve	Nonmajor Governmental Fund Capital Improvement	Total Governmental Funds
REVENUES						
Property taxes	\$ 1,917,481	\$ -	\$ 383,156	\$ -	\$ -	\$ 2,300,637
Investment earnings	97,465	-	-	-	-	97,465
Conflagrations	354,899	-	-	-	-	354,899
Grants	248,060	35,000	-	-	-	283,060
Miscellaneous	10,992	-	-	-	-	10,992
Total revenues	<u>2,628,897</u>	<u>35,000</u>	<u>383,156</u>	<u>-</u>	<u>-</u>	<u>3,047,053</u>
EXPENDITURES						
Current						
Fire suppression						
Personnel services	1,510,501	150,892	-	-	-	1,661,393
Materials and services	694,329	7,474	-	-	-	701,803
Debt service	-	-	372,406	-	-	372,406
Capital outlay	214,396	-	-	98,144	5,175	317,715
Total expenditures	<u>2,419,226</u>	<u>158,366</u>	<u>372,406</u>	<u>98,144</u>	<u>5,175</u>	<u>3,053,317</u>
Excess (deficiency) of revenues over (under) expenditures	<u>209,671</u>	<u>(123,366)</u>	<u>10,750</u>	<u>(98,144)</u>	<u>(5,175)</u>	<u>(6,264)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	7,127	50,000	-	100,000	-	157,127
Transfers out	<u>(150,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,127)</u>	<u>(157,127)</u>
Total other financing sources (uses)	<u>(142,873)</u>	<u>50,000</u>	<u>-</u>	<u>100,000</u>	<u>(7,127)</u>	<u>-</u>
Net change in fund balances	66,798	(73,366)	10,750	1,856	(12,302)	(6,264)
Fund balances - beginning	<u>1,409,838</u>	<u>510,958</u>	<u>70,513</u>	<u>795,256</u>	<u>12,302</u>	<u>2,798,867</u>
Fund balances - ending	<u>\$ 1,476,635</u>	<u>\$ 437,592</u>	<u>\$ 81,263</u>	<u>\$ 797,112</u>	<u>\$ -</u>	<u>\$ 2,792,602</u>

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

SILVERTON FIRE DISTRICT
Marion County, 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, 2026

Net change in fund balances	\$ (6,264)
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Amounts reported for governmental activities in the statement of activities are different because:

Repayment of long-term debt principal is an expenditure in the governmental funds, but reduces the liability in the statement of net position.

Bond principal paid	335,000
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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	223,477		
Disposal of capital assets, net	(2,362)		
Depreciation expense recorded in the current year	<u>(322,272)</u>		<u>(101,157)</u>

Change in net position	\$ <u>227,579</u>
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The accompanying notes are an integral part of these financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

SILVERTON FIRE DISTRICT
Marion County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2026

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Description of Government-Wide Financial Statements

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

B. Reporting Entity

On May 1, 1883, the "Eagle Hook and Ladder No. 1" was formed in the Silverton area. Over the years, the organization has changed many times. In 1946, the Silverton Rural Fire Protection District was formed and contracted with the City of Silverton for fire protection services. In 1982, the decision was made to consolidate the City and RFPD into one district. In 1992, Silverton Fire District merged with Scotts Mills Fire District by vote of the public.

Silverton Fire District provides protection for 106 square miles with five stations, nine paid staff, and seventy volunteer firefighters. The board of directors is the legal governing body of the District consisting of five members elected by popular vote of the citizens within the District.

C. Basis of Presentation - Government-Wide Financial Statements

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

D. Basis of Presentation - Fund Financial Statements

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

SILVERTON FIRE DISTRICT
Marion County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2026

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The District reports the following major governmental funds:

General Fund – The General Fund accounts for all financial resources of the District except those required to be accounted for in another fund. The primary sources of revenue are property taxes. Primary expenditures are for fire protection.

Special Revenue Fund

Personnel Reserve Fund – The Personnel Reserve Fund is used to account for personnel-related costs. The primary source of revenue is transfers from the General Fund.

Debt Service Fund – The Debt Service Fund is used for the accumulation of resources and payments of principal and interest on general obligation debt. The primary source of revenue is property taxes.

Capital Projects Fund

Capital Reserve Fund – The Capital Reserve Fund is used to account for money accumulated to finance fire apparatus, equipment, buildings, and property maintenance as needed. The primary source of revenue is transfers from the General Fund.

The District reports the following nonmajor governmental funds:

Capital Projects Fund

Capital Improvement Fund – The Capital Improvement Fund was used to account for expenditures funded by the general obligation bonds that were issued. The primary activities were capital outlay and debt service expenditures. During the year, the District passed a resolution to close the Capital Improvement Fund and transferred the remaining fund balance to the General Fund through a residual equity transfer.

Additionally, the District reports the Volunteer Incentive Plan Fund, as described below, which is presented in the General Fund for financial statement presentation purposes in accordance with GASB Statement No. 54.

Volunteer Incentive Plan Fund – The Volunteer Incentive Plan Fund is used to account for the District's volunteer incentive plan. The primary source of revenue is transfers from the General Fund.

Certain activity occurs during the year involving transfers of resources between funds. In the 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 preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated.

SILVERTON FIRE DISTRICT
Marion County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2026

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Measurement Focus and Basis of Accounting

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

The government-wide financial statements are reported using the economic resources measurement focus within the limitations of the modified cash basis of accounting, as described below.

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

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

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

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

F. Budgetary Information

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

SILVERTON FIRE DISTRICT
Marion County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2026

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Budgetary Information (Continued)

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.

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

Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution. 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 no supplemental budgets. 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 appropriation changes.

G. Assets, Liabilities, and Net Position/Fund Balance

1. Cash and Cash Equivalents

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

SILVERTON FIRE DISTRICT
Marion County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2026

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

2. Investments

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

3. Capital Assets

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

The costs of normal maintenance or repairs that do not add to the value of an asset or materially extend its life are charged to expenditures as incurred and are not capitalized. Major capital outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
Vehicles and equipment	10-30
Buildings and improvements	15-50

4. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations arising from cash basis transactions are reported as liabilities. 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.

SILVERTON FIRE DISTRICT
Marion County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2026

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. Long-Term Obligations

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.

5. Net Position Flow Assumption

Sometimes, the District will fund outlays for a particular purpose from both restricted (e.g., restricted grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

6. Fund Balance Flow Assumption

Sometimes, the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

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

7. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

SILVERTON FIRE DISTRICT
Marion County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2026

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

7. Fund Balance Policies (Continued)

The restricted fund balance classification 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 a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

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

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

SILVERTON FIRE DISTRICT
Marion County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2026

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

7. Fund Balance Policies (Continued)

- Assigned fund balance – amounts that the District intends to use for a specific purpose. Intent can be expressed by the board of directors or by an official or body to which the board of directors delegates authority.
- Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

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

H. Revenues and Expenditures/Expenses

1. Program Revenues

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

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

SILVERTON FIRE DISTRICT
Marion County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2026

II. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. Deposits and Investments

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

Investments, including amounts held in pooled cash and investments, are stated at fair value. In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, investments with a remaining maturity of more than one year at the time of purchase are stated at fair value. The District participates in an external investment pool (State of Oregon Local Government Investment Pool (LGIP)). The LGIP is not registered with the U.S. Securities and Exchange Commission as an investment company. The State's investment policies are governed by 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 establishes 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.

SILVERTON FIRE DISTRICT
Marion County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2026

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

A. Deposits and Investments (Continued)

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 board may authorize the investment or reinvestment of funds that are not immediately needed for operations of the District. Such investments will comply with state law and Oregon Administrative Rules.

Investments

As of June 30, 2026, the District had the following investments:

	<u>Credit Quality Rating</u>	<u>Maturities</u>	<u>Fair Value</u>
Oregon Local Government Investment Pool	Unrated	-	\$ <u>2,306,284</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.

SILVERTON FIRE DISTRICT
Marion County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2026

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

A. Deposits and Investments (Continued)

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 Columbia 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, 2026, the District had deposits of \$250,000 insured by the FDIC and \$247,867 collateralized under the PFCP.

Deposits

The District's deposits and investments at June 30, 2026 are as follows:

Petty cash	\$ 200
Checking accounts	419,150
Savings accounts	66,968
Investments	<u>2,306,284</u>
Total deposits and investments	<u><u>\$ 2,792,602</u></u>

SILVERTON FIRE DISTRICT
Marion County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2026

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

A. Deposits and Investments (Continued)

Deposits (Continued)

Cash and investments by fund:

Governmental activities - unrestricted	
General Fund	\$ 1,410,635
Personnel Reserve Fund	318,346
Capital Reserve Fund	<u>797,112</u>
Total governmental funds - unrestricted	<u>2,526,093</u>
Governmental activities - restricted	
General Fund	66,000
Personnel Reserve Fund	119,246
Debt Service Fund	<u>81,263</u>
Total governmental funds - restricted	<u>266,509</u>
Total cash and investments	<u><u>\$ 2,792,602</u></u>

The District's restricted cash is for grant-funded activities, future debt service payments, and future capital purchases.

SILVERTON FIRE DISTRICT
Marion County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2026

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

B. Capital Assets

Capital asset activity resulting from modified cash basis transactions for the year ended June 30, 2026 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 335,270	\$ -	\$ -	\$ 335,270
Construction in progress	<u>161,288</u>	<u>223,478</u>	<u>-</u>	<u>384,766</u>
Total capital assets not being depreciated	<u>496,558</u>	<u>223,478</u>	<u>-</u>	<u>720,036</u>
Capital assets being depreciated				
Buildings and improvements	4,419,737	-	(5,139)	4,414,598
Vehicles and equipment	<u>4,901,767</u>	<u>-</u>	<u>-</u>	<u>4,901,767</u>
Total capital assets being depreciated	<u>9,321,504</u>	<u>-</u>	<u>(5,139)</u>	<u>9,316,365</u>
Less accumulated depreciation for				
Buildings and improvements	(1,612,899)	(96,591)	2,777	(1,706,713)
Vehicles and equipment	<u>(2,464,301)</u>	<u>(225,681)</u>	<u>-</u>	<u>(2,689,982)</u>
Total accumulated depreciation	<u>(4,077,200)</u>	<u>(322,272)</u>	<u>2,777</u>	<u>(4,396,695)</u>
Total capital assets being depreciated, net	<u>5,244,304</u>	<u>(322,272)</u>	<u>(2,362)</u>	<u>4,919,670</u>
Governmental activities capital assets, net	<u>\$ 5,740,862</u>	<u>\$ (98,794)</u>	<u>\$ (2,362)</u>	<u>\$ 5,639,706</u>

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

	Capital Assets	Accumulated Depreciation	Net Capital Assets
Governmental activities			
Land	\$ 335,270	\$ -	\$ 335,270
Construction in progress	384,766	-	384,766
Buildings and improvements	4,414,598	(1,706,713)	2,707,885
Equipment	<u>4,901,767</u>	<u>(2,689,982)</u>	<u>2,211,785</u>
Capital assets	<u>\$ 10,036,401</u>	<u>\$ (4,396,695)</u>	<u>\$ 5,639,706</u>

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

Governmental activities	
Fire suppression	<u>\$ 322,272</u>

SILVERTON FIRE DISTRICT
Marion County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2026

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

C. Long-Term Liabilities

1. Legal Debt Limit

The District's legal annual debt service limit (as defined by ORS 478.410) as of June 30, 2026 was approximately \$23,586,849. The District's legal debt service limit is 1.25% of the real market value of property within the District.

2. Changes in Long-Term Liabilities

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

	Interest Rate	Original Amount	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities							
GO bonds, series 2015	2.25%	<u>\$ 4,155,000</u>	<u>\$ 1,830,000</u>	<u>\$ -</u>	<u>\$ 335,000</u>	<u>\$ 1,495,000</u>	<u>\$ 350,000</u>

3. Governmental Activities - General Obligation Bonds

General obligation bonds are direct obligations that pledge the full faith and credit of the District and are payable from the general non-restricted revenues of the District and other funds that may be lawfully available for that purpose. The general obligation bonds were signed October 26, 2015, the proceeds of which are used to finance the cost of capital construction and improvements. Interest is fixed at 2.25%. Interest is due semiannually on December 31 and June 30. The Debt Service Fund has traditionally been used to liquidate the related debt.

4. Governmental Activities - Interest Expense

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

Governmental activities	
Fire suppression	<u>\$ 37,406</u>

5. Future Maturities of Long-Term Debt

Year Ending June 30	GO Bonds	
	Principal	Interest
2027	\$ 350,000	\$ 25,763
2028	365,000	17,550
2029	380,000	9,000
2030	<u>400,000</u>	<u>-</u>
	<u>\$ 1,495,000</u>	<u>\$ 52,313</u>

SILVERTON FIRE DISTRICT
Marion County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2026

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

D. Interfund Transfers

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

	Transfers in:		
	Personnel Reserve Fund	Capital Reserve Fund	Total
Transfers out:			
General Fund	\$ 50,000	\$ 100,000	\$ 150,000

The primary purposes for the interfund transfers were to reserve funds for future personnel expenses and for future capital asset acquisition and repairs.

E. Constraints on Fund Balances

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

	General Fund	Personnel Reserve Fund	Debt Service Fund	Capital Reserve Fund	Total Governmental Funds
Fund balances:					
Restricted for:					
Debt service	\$ -	\$ -	\$ 81,263	\$ -	\$ 81,263
Staffing grant	-	119,246	-	-	119,246
Vehicle purchase	66,000	-	-	-	66,000
Committed to:					
Future personnel costs	-	318,346	-	-	318,346
Volunteer incentives	64	-	-	-	64
Capital projects	-	-	-	797,112	797,112
Unassigned	1,410,571	-	-	-	1,410,571
Total fund balances	<u>\$ 1,476,635</u>	<u>\$ 437,592</u>	<u>\$ 81,263</u>	<u>\$ 797,112</u>	<u>\$ 2,792,602</u>

SILVERTON FIRE DISTRICT
Marion County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2026

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 were no insurance settlements exceeding insurance coverage in any of the past three years.

B. Pension Plan

1. Plan Description

The District is a participating employer in the Oregon Public Employees Retirement System (PERS), 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. PERS 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.

SILVERTON FIRE DISTRICT
Marion County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2026

III. OTHER INFORMATION (Continued)

B. Pension Plan (Continued)

2. Benefits Provided (Continued)

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

Pension Benefits (Continued)

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.

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.

SILVERTON FIRE DISTRICT
Marion County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2026

III. OTHER INFORMATION (Continued)

B. Pension Plan (Continued)

2. Benefits Provided (Continued)

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

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%.

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.

SILVERTON FIRE DISTRICT
Marion County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2026

III. OTHER INFORMATION (Continued)

B. Pension Plan (Continued)

2. Benefits Provided (Continued)

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

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 238A.210, monthly benefits are adjusted annually through cost-of-living adjustments (COLA), starting with the monthly benefits received or entitled to be received on August 1. The COLA is capped at 2.0%.

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

Benefit Terms

The IAP is an individual account-based program under the PERS 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.

SILVERTON FIRE DISTRICT
Marion County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2026

III. OTHER INFORMATION (Continued)

B. Pension Plan (Continued)

2. Benefits Provided (Continued)

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

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.

Recordkeeping

PERS 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 fiscal year 2026 were based on the December 31, 2023 actuarial valuation, which became effective July 1, 2025. Employer contributions for the year ended June 30, 2026 were \$250,357, excluding amounts to fund employer-specific liabilities. The rates in effect for the fiscal year ended June 30, 2026 were 34.03% for Tier One/Tier Two general service members, 34.03% for Tier One/Tier Two police and fire members, 23.37% for OPSRP Pension Program general service members, 28.64% 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.

C. New Pronouncements

For the fiscal year ended June 30, 2026, the District implemented the following new accounting standards:

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.

SILVERTON FIRE DISTRICT
Marion County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2026

III. OTHER INFORMATION (Continued)

C. New Pronouncements (Continued)

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 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 the following pronouncement:

GASB Statement No. 105, *Subsequent Events* – The primary objective of this statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. The requirements of this statement will improve financial reporting related to subsequent events by (1) clarifying the subsequent events timeframe and the subsequent events that constitute recognized and nonrecognized events and (2) specifying the information items that are required to be disclosed about subsequent events. The requirements of this statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter.

D. Subsequent Events

Management has evaluated subsequent events through August 20, 2026, which was the date that the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

SILVERTON FIRE DISTRICT
Marion County, Oregon

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

GENERAL FUND

For the Year Ended June 30, 2026

	Budget		Actual		Variance with Final Budget Over (Under)	Variance with Final Budget Over (Under)	Modified Cash Basis
	Original Budget	Variance with Original Budget Over (Under)	Final Budget	Budget Basis			
REVENUES							
Property taxes	\$ 1,947,571	\$ -	\$ 1,947,571	\$ (30,090)	\$ 1,917,481	\$ -	\$ 1,917,481
Investment earnings	95,000	-	95,000	2,465	97,465	-	97,465
Grants and donations	136,500	200,000	336,500	(88,440)	248,060	-	248,060
Charges for services	206,500	-	206,500	148,399	354,899	-	354,899
Miscellaneous	5,000	-	5,000	5,992	10,992	-	10,992
Total revenues	<u>2,390,571</u>	<u>200,000</u>	<u>2,590,571</u>	<u>38,326</u>	<u>2,628,897</u>	<u>-</u>	<u>2,628,897</u>
EXPENDITURES							
Current							
Personnel services	1,631,020	-	1,631,020	(135,585)	1,495,435	15,066	1,510,501
Materials and services	887,274	45,000	932,274	(237,945)	694,329	-	694,329
Capital outlay	137,500	200,000	337,500	(123,104)	214,396	-	214,396
Contingency	<u>104,677</u>	<u>(45,000)</u>	<u>59,677</u>	<u>(59,677)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>2,760,471</u>	<u>200,000</u>	<u>2,960,471</u>	<u>(556,311)</u>	<u>2,404,160</u>	<u>15,066</u>	<u>2,419,226</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(369,900)</u>	<u>-</u>	<u>(369,900)</u>	<u>594,637</u>	<u>224,737</u>	<u>(15,066)</u>	<u>209,671</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	7,127	7,127	-	7,127
Transfers out	<u>(165,100)</u>	<u>-</u>	<u>(165,100)</u>	<u>-</u>	<u>(165,100)</u>	<u>15,100</u>	<u>(150,000)</u>
Total other financing sources (uses)	<u>(165,100)</u>	<u>-</u>	<u>(165,100)</u>	<u>7,127</u>	<u>(157,973)</u>	<u>15,100</u>	<u>(142,873)</u>
Net change in fund balance	(535,000)	-	(535,000)	601,764	66,764	34	66,798
Fund balance - beginning	<u>1,410,000</u>	<u>-</u>	<u>1,410,000</u>	<u>(192)</u>	<u>1,409,808</u>	<u>30</u>	<u>1,409,838</u>
Fund balance - ending	<u>\$ 875,000</u>	<u>\$ -</u>	<u>\$ 875,000</u>	<u>\$ 601,571</u>	<u>\$ 1,476,571</u>	<u>\$ 64</u>	<u>\$ 1,476,635</u>

SILVERTON FIRE DISTRICT
Marion County, Oregon

GENERAL FUND

For the Year Ended June 30, 2026

Significant variances between the original and final budget include:

- Originally budgeted grants and donations were \$136,500. The final budgeted amount was \$336,500 (a 147% increase) due to a mid-year budgetary amendment approved by the board of directors. This amendment was necessary to recognize a \$200,000 donation received by the District and incorporate the related revenue into the adopted budget.
- Originally budgeted capital outlay was \$137,500. The final budgeted amount was \$337,500 (a 145% increase) due to a mid-year budgetary amendment approved by the board of directors. This amendment was necessary to appropriate the \$200,000 donation for the purchase of a fire truck and ensure the funds were available for the intended capital expenditure.
- Originally budget contingency was \$104,677. The final budgeted amount was \$59,677 (a 43% decrease) due to a mid-year budgetary amendment approved by the board of directors. This amendment was necessary to transfer \$45,000 from contingency to the Vehicle Maintenance Fund to address unanticipated apparatus repairs.

Significant variances between the final budget and actual amounts include:

- Grants and donations were budgeted for \$336,500. Actual revenue was \$248,060 (26% under budget) due primarily to the District not receiving all of the grants anticipated at the time the budget was prepared. The District budgets for grant opportunities that have been applied for so that funds can be appropriated and expenditures can occur promptly if the grants are awarded. When grant applications are unsuccessful, the related revenue is not received and the corresponding expenditures are not incurred.
- Charges for services were budgeted for \$206,500. Actual revenue was \$354,899 (72% over budget) due primarily to a significant increase in conflagration activity during the fiscal year. The District also had approximately \$100,000 in additional conflagration revenue related to California fire deployments that was not received until later in the fiscal year.
- Miscellaneous revenue was budgeted for \$5,000. Actual revenue was \$10,992 (120% over budget) due primarily to the fluctuating nature of this revenue category. Actual receipts varied from the amounts anticipated during the budget development process based on the types and timing of miscellaneous receipts received during the year.
- Materials and services expenditures were budgeted for \$932,274. Actual expenditures were \$694,329 (26% under budget) due primarily to the District's continued focus on fiscal responsibility and utilizing in-house resources whenever practical. Staff routinely evaluates whether maintenance, repairs, and other services can be completed internally before contracting for outside services, resulting in lower expenditures than originally anticipated.

SILVERTON FIRE DISTRICT
Marion County, Oregon

GENERAL FUND

For the Year Ended June 30, 2026

- Capital outlay was budgeted for \$337,500. Actual expenditures were \$214,396 (36% under budget) due primarily to projects that were delayed or did not occur during the fiscal year, as well as certain projects being completed at costs lower than originally anticipated. The timing of some projects also resulted in related expenditures and payments occurring in a subsequent fiscal year.
- Unbudgeted transfers in were received in the amount of \$7,127. This unanticipated financing source was primarily due to the transfer of residual funds from the Capital Improvement Fund (Fund 30), which was closed during the fiscal year after all bond-funded projects had been completed. The remaining balance was transferred to the District's appropriate reserve fund.

SILVERTON FIRE DISTRICT
Marion County, Oregon

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

PERSONNEL RESERVE FUND

For the Year Ended June 30, 2026

	Budget				Actual
	Original Budget	Variance with Original Budget Over (Under)	Final Budget	Variance with Final Budget Over (Under)	Budget Basis
REVENUES					
Grant revenue	\$ 35,000	\$ 35,000	\$ 70,000	\$ (35,000)	\$ 35,000
EXPENDITURES					
Current					
Personnel services	177,030	35,000	212,030	(61,138)	150,892
Materials and services	<u>7,500</u>	<u>-</u>	<u>7,500</u>	<u>(26)</u>	<u>7,474</u>
Total expenditures	<u>184,530</u>	<u>35,000</u>	<u>219,530</u>	<u>(61,164)</u>	<u>158,366</u>
Excess (deficiency) of revenues over (under) expenditures	(149,530)	-	(149,530)	26,164	(123,366)
OTHER FINANCING SOURCES (USES)					
Transfers in	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Net change in fund balance	(99,530)	-	(99,530)	26,164	(73,366)
Fund balance - beginning	<u>510,171</u>	<u>-</u>	<u>510,171</u>	<u>787</u>	<u>510,958</u>
Fund balance - ending	<u>\$ 410,641</u>	<u>\$ -</u>	<u>\$ 410,641</u>	<u>\$ 26,951</u>	<u>\$ 437,592</u>

SILVERTON FIRE DISTRICT
Marion County, Oregon

PERSONNEL RESERVE FUND

For the Year Ended June 30, 2026

Significant variances between the original and final budget include:

- Originally budgeted grant revenue was \$35,000. The final budgeted amount was \$70,000 (a 100% increase) due to a mid-year budgetary amendment approved by the board of directors. This amendment was necessary to recognize an additional \$35,000 in Oregon State Fire Marshal (OSFM) Wildland Fire Suppression (WFS) Grant funding received for the 2026-2027 fiscal year. The grant funds were received and deposited in May 2026 and recorded as revenue; however, the funds will not be expended until the 2026-2027 fiscal year.

Significant variances between the final budget and actual amounts include:

- Grant revenue was budgeted for \$70,000. Actual revenue was \$35,000 (50% under budget) due primarily to the OSFM releasing WFS Grant funds in May 2026.
- Personnel services expenditures were budgeted for \$212,030. Actual expenditures were \$150,892 (29% under budget) due primarily to lower-than-anticipated overtime usage and favorable changes in employee dependent coverage. Overtime expenditures were below projects based on actual staffing and operational needs, and changes in employee dependents resulted in additional savings to the District.

SILVERTON FIRE DISTRICT
Marion County, Oregon

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

DEBT SERVICE FUND

For the Year Ended June 30, 2026

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual Budget Basis
REVENUES			
Property taxes	\$ 391,184	\$ (8,028)	\$ 383,156
EXPENDITURES			
Debt service	<u>372,407</u>	<u>(1)</u>	<u>372,406</u>
Excess (deficiency) of revenues over (under) expenditures	18,777	(8,027)	10,750
Fund balance - beginning	<u>44,624</u>	<u>25,889</u>	<u>70,513</u>
Fund balance - ending	<u><u>\$ 63,401</u></u>	<u><u>\$ 17,862</u></u>	<u><u>\$ 81,263</u></u>

SILVERTON FIRE DISTRICT
Marion County, Oregon

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

CAPITAL RESERVE FUND

For the Year Ended June 30, 2026

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual Budget Basis
REVENUES	\$ -	\$ -	\$ -
EXPENDITURES			
Capital outlay	<u>195,000</u>	<u>(96,856)</u>	<u>98,144</u>
Excess (deficiency) of revenues over (under) expenditures	(195,000)	96,856	(98,144)
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Net change in fund balance	(95,000)	96,856	1,856
Fund balance - beginning	<u>880,296</u>	<u>(85,040)</u>	<u>795,256</u>
Fund balance - ending	<u><u>\$ 785,296</u></u>	<u><u>\$ 11,816</u></u>	<u><u>\$ 797,112</u></u>

SILVERTON FIRE DISTRICT
Marion County, Oregon

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

CAPITAL IMPROVEMENT FUND

For the Year Ended June 30, 2026

	Budget			Variance with	Actual
	Original	Variance with	Final	Variance with	
	Budget	Original Budget	Budget	Final Budget	Budget
		Over (Under)		Over (Under)	Basis
REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES					
Capital outlay	<u>16,127</u>	<u>(7,127)</u>	<u>9,000</u>	<u>(3,825)</u>	<u>5,175</u>
Excess (deficiency) of revenues over (under) expenditures	(16,127)	(7,127)	(9,000)	3,825	(5,175)
OTHER FINANCING SOURCES (USES)					
Transfers out	<u>-</u>	<u>7,127</u>	<u>(7,127)</u>	<u>-</u>	<u>(7,127)</u>
Net change in fund balance	(16,127)	-	(16,127)	3,825	(12,302)
Fund balance - beginning	<u>16,127</u>	<u>-</u>	<u>16,127</u>	<u>(3,825)</u>	<u>12,302</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SILVERTON FIRE DISTRICT
Marion County, Oregon

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

VOLUNTEER INCENTIVE PLAN FUND

For the Year Ended June 30, 2026

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual		
			Budget Basis	Adjustments	Modified Cash Basis
REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES					
Current					
Personnel services	<u>15,100</u>	<u>(34)</u>	<u>15,066</u>	<u>(15,066)</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(15,100)	34	(15,066)	15,066	-
OTHER FINANCING SOURCES (USES)					
Transfers in	<u>15,100</u>	<u>-</u>	<u>15,100</u>	<u>(15,100)</u>	<u>-</u>
Net change in fund balance	-	34	34	(34)	-
Fund balance - beginning	<u>30</u>	<u>-</u>	<u>30</u>	<u>(30)</u>	<u>-</u>
Fund balance - ending	<u>\$ 30</u>	<u>\$ 34</u>	<u>\$ 64</u>	<u>\$ (64)</u>	<u>\$ -</u>

This fund is presented in the General Fund for financial statement presentation purposes in accordance with GASB Statement No. 54.

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



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

Board of Directors
Silverton Fire District
Silverton, Oregon 97381

We have audited the basic financial statements of Silverton Fire District as of and for the year ended June 30, 2026, and have issued our report thereon dated August 20, 2026. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

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

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

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

Indebtedness limitations, restrictions, and repayment

Budgets legally required (ORS Chapter 294)

Insurance and fidelity bonds in force or required by law

Programs funded from outside sources

Authorized investment of surplus funds (ORS Chapter 294)

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

In connection with our testing, nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, 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.

OAR 162-010-0230 Internal Control

In planning and performing our audit, we considered Silverton Fire District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Silverton Fire District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Silverton Fire District's internal control over financial reporting.

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


Accuity, LLC
August 20, 2026