

**SISTERS-CAMP SHERMAN RURAL
FIRE PROTECTION DISTRICT**
Deschutes County, Oregon

DISTRICT OFFICIALS

June 30, 2013

Board Members

Chuck Newport - President
Sisters, Oregon

Al McKenzie - Vice President
Sisters, Oregon

Don Boyd - Secretary/Treasurer
Sisters, Oregon

Peter Storton
Sisters, Oregon

Chris Perry
Sisters, Oregon

Fire Chief

Roger Johnson

Registered Agent

Roger Johnson
P.O. Box 1509
301 S. Elm Street
Sisters, Oregon 97759
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**SISTERS-CAMP SHERMAN RURAL
FIRE PROTECTION DISTRICT**
Deschutes County, Oregon

TABLE OF CONTENTS

June 30, 2013

| | <u>Page</u> |
|---|-------------|
| INDEPENDENT AUDITOR'S REPORT | 1-3 |
| MANAGEMENT'S DISCUSSION AND ANALYSIS | 5-10 |
| BASIC FINANCIAL STATEMENTS | |
| Government-Wide Financial Statements | |
| Statement of Net Assets | 13 |
| Statement of Activities | 14 |
| Fund Financial Statements | |
| Balance Sheet - Governmental Funds | 15 |
| Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds | 16 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to Statement of Activities | 17 |
| Notes to Basic Financial Statements | 18-26 |
| REQUIRED SUPPLEMENTAL INFORMATION | |
| Schedules of Actual and Budgeted Transactions - Budgetary Basis Major Funds General Fund | 29 |
| ADDITIONAL SUPPLEMENTAL INFORMATION | |
| Schedule of Actual and Budgeted Transactions - Management Detail - General Fund - Budgetary Basis | 33-35 |
| Combining Schedules | |
| Combining Balance Sheet - General Fund Sub-Funds | 36 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund Sub-Funds | 37 |
| Combining Balance Sheet - Capital Project Funds | 38 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Capital Project Funds | 39 |
| Schedules of Actual and Budgeted Transactions - Budgetary Basis Other Funds | |
| Employment Fund | 40 |
| Technology Reserve Fund | 41 |
| Building Fund | 42 |
| Equipment Reserve Fund | 43 |
| Debt Service Fund | 44 |
| Schedule of Property Tax Transactions - General Fund | 45 |
| Schedule of Property Tax Transactions - Debt Service Fund | 46 |
| INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS | 49-50 |

INDEPENDENT AUDITOR'S REPORT

**Members of the Board of Directors
Sisters - Camp Sherman Rural Fire Protection District
Deschutes County, Oregon**

I have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Sisters - Camp Sherman Rural Fire Protection District, Oregon, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Sisters - Camp Sherman Rural Fire Protection District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriated to provide a basis for my opinion.

INDEPENDENT AUDITOR'S REPORT – CONTINUED

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Sisters - Camp Sherman Rural Fire Protection District, as of June 30, 2013, and the respective changes in the financial position for the year ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 through 10, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the Management's Discussion and Analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Accounting principles generally accepted in the United States of America also require that the budget comparison information of the Sisters - Camp Sherman Rural Fire Protection District's major fund on page 29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic statements in an appropriate operational, economic, or historical context. This information has been subjected to the auditing procedures applied in the audit of the financial statements, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT – CONTINUED

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sisters - Camp Sherman Rural Fire Protection District's financial statements as a whole. The schedules listed in the Table of Contents as "Additional Supplemental Information" are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The Additional Supplemental Information is the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. Such 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 my opinion, the Additional Supplemental Information is fairly stated in all material respects in relation to the financial statements as a whole.

 T. J. W. Darsica CPA

Bend, Oregon
October 10, 2013



MANAGEMENT'S DISCUSSION AND ANALYSIS June 30, 2013

The following narrative is an overview of the financial position of the Sisters-Camp Sherman Rural Fire Protection District for the fiscal year ending June 30, 2013.

Financial Highlights

- In the Government-Wide financial statements, the assets of the District exceeded its liabilities on June 30, 2013 by \$5,706,139, an increase over last year of \$178,596. Of this amount, \$3,832,760 represents the District's investments in capital assets, \$144,209 restricted for debt service, and the balance of \$1,729,170 in unassigned funds for the administration and operation of the Fire District.
- The District's current liabilities total \$226,859 consisting of: accrued vacation \$117,258; accounts payable \$10,010; accrued interest \$19,591; and current portion of long-term debt \$80,000.
- As of June 30, 2013, the District had long-term bond payable debt of \$2,175,000 less current portion due within one year of \$80,000.
- The District's net changes fluctuated both in revenue and expenditures. District revenue increased \$224,596. Expenses increased \$67,123. Expenditures fluctuated by category; Personal Services was \$74,137 under budget; Materials and Services was \$103,168 under budget; Capital Outlay was \$1,938 under budget.

Overview of the Financial Statements

This analysis is designed to provide a broad overview of the District's finances. The District's detailed information is provided in the annual financial statement provided by our independent auditor.

Government-Wide Financial Statements

The *Government-Wide Financial Statements* are designed to provide readers with a broad overview of District finances in a manner similar to private-sector business and includes the *Statement of Net Assets* and the *Statement of Activities*.

The *Statement of Net Assets* presents information on the District's assets and liabilities with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

SISTERS – CAMP SHERMAN RURAL FIRE PROTECTION DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS - CONTINUED
June 30, 2013

Government-Wide Financial Statements - Continued

The *Statement of Activities* presents information on how the District’s net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, grant receivable, ambulance receivable, earned but unused vacation leave).

In the Government-Wide financial statements, the District’s activities are shown in one category; *governmental funds*. The governmental activities of the District include general government and public safety and are principally supported by property taxes and charges for services.

Fund Financial Statements

The *Fund Financial Statements* provide more detailed information about the District’s funds, focusing on its most significant or “major” funds. A *fund* is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: the General Fund, Capital Project Fund, and Debt Service. All Funds are Governmental Fund types.

Governmental Fund

Governmental funds are used to account for essentially all governmental activities focusing on its most significant fund (general fund). This fund shows the District’s operational costs. Direct expenses of operations are reduced by direct program revenue.

District Funds

- General Fund – the General Fund accounts for the financial operations of the District’s fire protection costs not accounted for in other funds.

The Board has designated certain amounts for future appropriations, these funds are:

- Employment Reserve Fund: established for payment of unanticipated employment and employment-related costs, employment contract termination costs and unused vacation and holiday pay-outs. Principal source of revenue and interest are transfers from the General Fund.
- Technology Reserve Fund: established for the purpose of replacement, maintenance and purchasing of advanced technological equipment, accessories and software. Principal source of revenue and interest are transfers from the general fund.

These funds are reported as “Sub-Funds” of the General Fund.

**SISTERS – CAMP SHERMAN RURAL FIRE PROTECTION DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS - CONTINUED
June 30, 2013**

District Funds - Continued

The other funds of the District are:

- **Capital Project Funds:**
 - **Building Reserve Fund:** established to reserve funds for the purpose of major repairs on buildings outside of normal maintenance issues and for future additions and improvements to District buildings. Principal revenues and interest are transfers from the General Fund.
 - **Equipment Reserve Fund:** established for future acquisition of equipment and vehicles. Principal source of revenue and interest are transfers from the General Fund.
- **Debt Service Fund:** established by the Board of Directors to account for the payment of the District’s general obligation bonds. Principal source of revenue is property taxes and interest. Expenditures are for principal and interest payments on the debt.

The following schedule is a comparative summary of the Statement of Net Assets:

| | June 30 | | 2012-13 |
|---|--------------|--------------|-------------------------|
| | 2013 | 2012 | Over (Under) 2011-12 |
| Current Assets | \$ 1,982,530 | \$ 1,807,542 | \$ 174,988 |
| Capital Assets | 6,007,760 | 6,073,295 | (65,535) |
| Other Assets | 37,708 | 40,402 | (2,694) |
| Total Assets | 8,027,998 | 7,921,239 | 106,759 |
| Current Liabilities | 226,859 | 218,696 | 8,163 |
| Long - Term Debt | 2,095,000 | 2,175,000 | (80,000) |
| Total Liabilities | 2,321,859 | 2,393,696 | (71,837) |
| Net Assets | | | |
| Invested in Capital Assets - net | 3,832,760 | 3,823,295 | 9,465 |
| Restricted for Debt Service | 144,209 | 142,831 | 1,378 |
| Assigned by the Board | 271,293 | 99,266 | 172,027 |
| Unassigned | 1,457,877 | 1,462,151 | (4,274) |
| Total Net Assets | \$ 5,706,139 | \$ 5,527,543 | \$ 178,596 |

**SISTERS – CAMP SHERMAN RURAL FIRE PROTECTION DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS - CONTINUED
June 30, 2013**

The following is a summary schedule of the Statement of Activities:

| | June 30 | | 2012-13 Over (Under) |
|-----------------------------|-------------------|------------------|-------------------------|
| | 2013 | 2012 | 2011-12 |
| Expenses | | | |
| Public safety | \$ 2,537,764 | \$ 2,470,641 | \$ 67,123 |
| Program Revenues | | | |
| Charges for service | (189,151) | (242,794) | 53,643 |
| Operating grants | (1,020) | - | (1,020) |
| Net Expense | <u>2,347,593</u> | <u>2,227,847</u> | <u>119,746</u> |
| General Revenues | | | |
| Property taxes | 2,225,185 | 2,181,983 | 43,202 |
| Interest | 10,014 | 8,023 | 1,991 |
| Capital grants | - | 22,148 | (22,148) |
| Donations | 109,576 | | 109,576 |
| Other | 181,414 | 36,816 | 144,598 |
| | <u>2,526,189</u> | <u>2,248,970</u> | <u>277,219</u> |
| Change in Net Assets | <u>\$ 178,596</u> | <u>\$ 21,123</u> | <u>\$ 157,473</u> |

General Fund Budgetary Highlights

During the year, all fund expenditures were within budget.

| | Final Budget | Actual | Variance Over (Under) |
|--|---------------------|---------------------|--------------------------|
| Personal services | \$ 1,772,667 | \$ 1,698,530 | \$ (74,137) |
| Materials and services | 518,337 | 415,169 | (103,168) |
| Capital outlay | 40,050 | 38,112 | (1,938) |
| Transfers | 249,303 | 249,303 | - |
| Operating contingency | 800,000 | - | (800,000) |
| Total General Fund Expenditures | <u>\$ 3,380,357</u> | <u>\$ 2,401,114</u> | <u>\$ (979,243)</u> |

Debt Service: The District issued general obligation bonds in the amount of \$2,500,000 to build the new fire station. The Bond is payable in annual principal payments together with bi-annual interest payments with an average interest rate of 4.31%. The obligation is scheduled to be retired in the 2026-27 fiscal year. The issue will be retired by tax levy on property within the District.

SISTERS – CAMP SHERMAN RURAL FIRE PROTECTION DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS - CONTINUED
June 30, 2013

The Fire District and the City are nearing completion of the transfer of 4 acres of City property to the District for use as a training facility. The final plat is being prepared and should be ready for signatures by November 1, 2013. The District has been collecting fill material to be used to construct a visual screening berm. The visual screening berm was required to reduce the impact of the proposed training facility on adjoining properties. The visual screening berm will be constructed in the fall of 2013. The District plans on building a training facility on the site when funding becomes available.

The District employs 13 full time employees and line staffing remained at 8 personnel. Line staffing consists of two shifts staffed with three personnel and one shift with two personnel. Volunteers and students continue to augment daily staffing levels and are critical to the District’s emergency operations.

Capital Assets:

The District’s investment in capital assets includes land and improvements, buildings and improvements, fire apparatus and vehicles, furniture, fixtures and equipment and work in progress. The District continually replaces and updates equipment (e.g. SCBA bottles, radios and pagers).

Long-term debt:

In 2007 the Board of Directors presented District residents with a request to approve a \$2,500,000 general obligation bond to construct a new fire station and re-model the current station.

Debt service payments:

Bond tax revenue becomes available in November of each year. Tax revenue can be paid all at once, or two or three payments as scheduled by the tax collector. The District works closely with the tax collector to estimate the amount of bond tax to be levied so the District has the required funds for the bond payments. The District must budget to collect enough bond tax revenue to make all three payments. The District is required to submit payment for bond interest and principle due in February of each year and an additional interest payment scheduled in August of each year.

SISTERS – CAMP SHERMAN RURAL FIRE PROTECTION DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS - CONTINUED
June 30, 2013

Economic Factors and Next Year’s Budget:

Local economic trends showed some signs of improvement in 2013. The unemployment rate in Deschutes County is still high (11.4%) but has improved a full percentage point from last year. There also seems to be an improvement in taxable assessed values of real estate. The total taxable value of property within the District is projected to increase 2.5% in fiscal year 2013-2014. New residential building permits within the City of Sisters continue to improve from a low of 10 permits issued in fiscal year 2009-2010 to 19 permits issued in 2011-2012. Foreclosure activity will be difficult to forecast for the next year due to legislative changes which went into effect in July of 2012. Oregon Senate Bill 1552 requires extended notice periods and mediation sessions for non-judicial foreclosures. There seems to be a shift from non-judicial foreclosure activity to the process of judicial foreclosure. It is unclear at this time what the effect of the changes may have on future tax collections. These trends indicate a need for close monitoring of tax revenue and expenditures in the next fiscal year and beyond. Recent analysis of the current economic condition statewide indicates the recession has bottomed out, there is also consensus that there will be an extended recovery period, particularly in Central Oregon which the District will monitor closely.

The Public Employee Retirement System continues to be under significant legislative and public scrutiny. Although the size of the increase is not known at this time, the District will receive another PERS rate increase in July 2013. The District continues to provide employer/employee PERS benefits to all full-time employees.

The health insurance plan that the District maintains for employees has been effective and 2012-2013 will see premium costs remain flat.

Other economic elements that may affect revenue are a continued or increased national economic crisis, national and local recession, local flooding, Carver Lake dam failure, and the local impacts and influx of people from other natural disasters including tsunamis, volcanic eruption, pandemics, terrorism, other diseases and or viruses, etc.

Contacting the District’s Financial Management:

This financial report is designed to provide interested citizens with a general overview of the District’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Fire Chief, Sisters-Camp Sherman R.F.P.D., PO Box 1509, Sisters, Oregon 97759.

BASIC FINANCIAL STATEMENTS

15

4

21

**SISTERS-CAMP SHERMAN RURAL
FIRE PROTECTION DISTRICT**
Deschutes County, Oregon

STATEMENT OF NET ASSETS

June 30, 2013

Assets

Current Assets

| | |
|--|------------------|
| Cash and cash equivalents | \$ 1,805,911 |
| Property taxes receivable | 112,332 |
| Accounts receivable - net of allowance for bad debts | 45,479 |
| Prepaid expenses | <u>18,808</u> |
| Total Current Assets | <u>1,982,530</u> |

Capital Assets

| | |
|------------------------------|--------------------|
| Assets not being depreciated | |
| Land | 329,000 |
| Assets being depreciated | 9,497,071 |
| Accumulated depreciation | <u>(3,818,311)</u> |
| Total Capital Assets | <u>6,007,760</u> |

Other Assets

| | |
|--------------------|------------------|
| Bond Issuance cost | <u>37,708</u> |
| Total Assets | <u>8,027,998</u> |

Liabilities

Current Liabilities

| | |
|-----------------------------------|----------------|
| Accounts payable | 10,010 |
| Accrued vacation | 117,258 |
| Accrued interest | 19,591 |
| Current portion of long-term debt | <u>80,000</u> |
| Total Current Liabilities | <u>226,859</u> |

Long-Term Debt

| | |
|----------------------|------------------|
| Bonds payable | 2,175,000 |
| Less current portion | <u>(80,000)</u> |
| Net Long-Term Debt | <u>2,095,000</u> |
| Total Liabilities | <u>2,321,859</u> |

Net Assets

| | |
|----------------------------|---------------------|
| Invested in capital assets | 3,832,760 |
| Restricted for: | |
| Debt Service | 144,209 |
| Unrestricted | <u>1,729,170</u> |
| Total Net Assets | <u>\$ 5,706,139</u> |

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

**SISTERS-CAMP SHERMAN RURAL
FIRE PROTECTION DISTRICT**
Deschutes County, Oregon
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2013

| | <u>Expenses</u> | <u>Program Revenues</u> | | <u>Net</u> |
|--------------------------------|-----------------|-------------------------|------------------|---------------------|
| | | <u>Charges for</u> | <u>Operating</u> | <u>(Expense)</u> |
| | | <u>Services</u> | <u>Grants</u> | <u>Revenue</u> |
| Governmental Activities | | | | |
| Public safety | \$ 2,537,764 | \$ 189,151 | \$ 1,020 | \$ (2,347,593) |
| General Revenues | | | | |
| Property taxes | | | | 2,225,185 |
| Interest | | | | 10,014 |
| Donations | | | | 109,576 |
| Other | | | | <u>181,414</u> |
| Total General Revenue | | | | <u>2,526,189</u> |
| Change in Net Assets | | | | 178,596 |
| Net Assets - Beginning of Year | | | | <u>5,527,543</u> |
| Net Assets - End of Year | | | | <u>\$ 5,706,139</u> |

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

**SISTERS-CAMP SHERMAN RURAL
FIRE PROTECTION DISTRICT**
Deschutes County, Oregon
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2013

| Assets | <u>General Funds</u> | <u>Capital Project</u> | <u>Debt Service</u> | <u>Totals</u> |
|---|--------------------------|----------------------------|-------------------------|---------------------|
| Cash | \$ 1,511,348 | \$ 151,945 | \$ 142,618 | \$ 1,805,911 |
| Property taxes receivable | 103,378 | - | 8,954 | 112,332 |
| Accounts receivable - net of allowance for bad debts | 45,479 | - | - | 45,479 |
| Due from/(to) other funds | 547 | (547) | - | - |
| Total Assets | <u>\$ 1,660,752</u> | <u>\$ 151,398</u> | <u>\$ 151,572</u> | <u>\$ 1,963,722</u> |
| Liabilities and Fund Balances | | | | |
| Accounts payable | \$ 10,010 | \$ - | \$ - | \$ 10,010 |
| Deferred revenue | 85,798 | - | 7,363 | 93,161 |
| Total Liabilities | <u>95,808</u> | <u>-</u> | <u>7,363</u> | <u>103,171</u> |
| Fund Balance | | | | |
| Restricted | | | | |
| Debt Service | - | - | 144,209 | 144,209 |
| Assigned | 119,895 | 151,398 | - | 271,293 |
| Unassigned | 1,445,049 | - | - | 1,445,049 |
| Total Fund Balances | <u>1,564,944</u> | <u>151,398</u> | <u>144,209</u> | <u>1,860,551</u> |
| Total Liabilities and Fund Balances | <u>\$ 1,660,752</u> | <u>\$ 151,398</u> | <u>\$ 151,572</u> | <u>\$ 1,963,722</u> |
| Reconciliation of the Governmental Fund Balance Sheet To Statement of Net Assets | | | | |
| Total Fund Balances - Governmental Funds | | | | \$ 1,860,551 |
| Reconciling Items | | | | |
| Assets (Liabilities) not reported on the Governmental Balance Sheet | | | | |
| Capital assets | | | | \$ 6,007,760 |
| Long-Term General Obligation Bonds | | | | <u>(2,175,000)</u> |
| Prepaid expenses | | | | 18,808 |
| Bond Issuance cost | | | | 37,708 |
| Accrued interest payable | | | | (19,591) |
| Deferred revenues | | | | 93,161 |
| Accrued vacation | | | | <u>(117,258)</u> |
| Total Net Assets - Government-Wide Statements | | | | <u>\$ 5,706,139</u> |

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

**SISTERS-CAMP SHERMAN RURAL
FIRE PROTECTION DISTRICT
Deschutes County, Oregon**

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2013

| | General Funds | Capital Projects | Debt Service | Totals |
|--|------------------|---------------------|-----------------|--------------|
| Revenues | | | | |
| Local | | | | |
| Property taxes | \$ 2,079,888 | \$ - | \$ 173,111 | \$ 2,252,999 |
| Interest | 9,709 | - | 305 | 10,014 |
| Charges for service | 290,990 | - | - | 290,990 |
| Other | 89,151 | - | - | 89,151 |
| Intergovernmental | | | | |
| Grants | 1,020 | - | - | 1,020 |
| Total Revenues | 2,470,758 | - | 173,416 | 2,644,174 |
| Expenditures | | | | |
| Current | | | | |
| Public safety | 2,140,468 | 28,694 | - | 2,169,162 |
| Capital outlay | 38,112 | 43,295 | - | 81,407 |
| Debt service | | | | |
| Principal | - | - | 75,000 | 75,000 |
| Interest | - | - | 97,038 | 97,038 |
| Total Expenditures | 2,178,580 | 71,989 | 172,038 | 2,422,607 |
| Excess of Revenues Over (Under) Expenditures | 292,178 | (71,989) | 1,378 | 221,567 |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 85,000 | 164,303 | - | 249,303 |
| Transfers out | (249,303) | - | - | (249,303) |
| Total Other Financing Sources (Uses) | (164,303) | 164,303 | - | - |
| Net Change in Fund Balance | 127,875 | 92,314 | 1,378 | 221,567 |
| Fund Balances - Beginning of Year | 1,437,069 | 59,084 | 142,831 | 1,638,984 |
| Fund Balances - End of Year | \$ 1,564,944 | \$ 151,398 | \$ 144,209 | \$ 1,860,551 |

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

**SISTERS-CAMP SHERMAN RURAL
FIRE PROTECTION DISTRICT
Deschutes County, Oregon**

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of Governmental Funds
To Statement of Activities

June 30, 2013

| | | | |
|---|--------------------|----|------------------|
| Net Changes in Fund Balances - Total Governmental Funds | | \$ | 221,567 |
| Items to Reconcile Changes in Net Assets | | | |
| Revenues | | | |
| Property taxes accrual | | | |
| Reported on the full accrual method | \$ 2,225,185 | | |
| Reported on the modified accrual method | <u>(2,252,999)</u> | | (27,814) |
| Capital asset donation | | | 100,000 |
| Expenses | | | |
| Change in prepaid expenses | \$ 1,403 | | |
| Change in accrued vacation | (23,956) | | |
| Change in accrued interest payable | 625 | | |
| Capital outlay | 76,771 | | |
| Debt payment | 75,000 | | |
| Bond cost amortization | (2,694) | | |
| Depreciation | <u>(242,306)</u> | | <u>(115,157)</u> |
| Changes in Net Assets - Statement of Activities | | \$ | <u>178,596</u> |

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

**SISTERS-CAMP SHERMAN RURAL
FIRE PROTECTION DISTRICT**

Deschutes County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

Note 1 - Summary of Significant Accounting Policies

The Sisters-Camp Sherman Rural Fire Protection District is a municipal corporation governed by a five member Board of Directors elected at-large.

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant policies of the District are described below.

Government-Wide and Fund Financial Statements

The Government-Wide financial statements are the Statement of Net Assets and the Statement of Activities. These statements report information on all activities of the District. The effect of interfund activity has been removed from these statements.

The Statement of Activities show the District's cost for operations of fire protection in the district. Direct expenses of operations are reduced by direct program revenue which include charges for services and services provided by other agencies.

Measurement Focus, Basis of Accounting

The Government-Wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when incurred regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied. Grants and similar revenues are recognized if all eligibility requirements imposed by the provider have been met.

Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available if they are received during the current period or soon enough thereafter to pay liabilities of the current period. The District considers this to be revenues collected within 60 days after the end of the current fiscal year. Expenditures are generally recorded when incurred, except interest on long-term debt and compensated absences are recorded at the time the payment is due.

District Funds

The District's only major fund is the General Fund.

General Fund - the General Fund accounts for the financial operations of the District's fire protections costs not accounted for in other funds. Principal sources of revenues are property taxes and ambulance revenues. Expenditures are for fire protections and ambulance services.

Non-Major Funds

Employment Reserve - This fund is used to accumulate resources for payment of compensated absences upon an employee retirement. Resources are from cash transfers from the General Fund. Expenditures are for payment of compensated absences upon retirement. This fund is reported as a sub-fund of the General Fund.

**SISTERS-CAMP SHERMAN RURAL
FIRE PROTECTION DISTRICT**

Deschutes County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

Note 1 - Summary of Significant Accounting Policies - Continued

District Funds - continued

Technology Reserve - This fund is used to accumulate resources for cost of technology equipment and supplies for the District. Resources are cash transfers from the General Fund. This fund is reported as a sub-fund of the General Fund.

Capital Project Funds

Building Reserve Fund - This fund was established to accumulate resources for future acquisition of buildings in the District. Resources are cash transfers from the General Fund. Expenditures are for additions or improvements to the District's buildings.

Equipment Reserve - This fund was established to accumulate resources for the acquisition of equipment for the District. Resources are from transfers from the General Fund. Expenditures are for cost of equipment.

Debt Service Fund

The District established a debt service fund to account for the revenues collected and the payment of the District's general obligation issue. Resources are from property taxes. Expenditures are for the payment of principal and interest on the issue.

Budget Policy

The District prepares a budget for each fund on the modified basis of accounting. State Statutes require a budget be prepared for each fund. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total personal service, materials and services, capital outlay, and other expenditures are the levels of control established by resolution. The detail budget document contains more specific detailed information for the expenditure categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval of the Board of Directors. Appropriations lapse at the end of each year.

Cash and Investments

Cash and investments include amounts in demand deposits as well as short-term investments. Investments with maturities over three months are not considered to be cash. The cash balances of all funds are pooled and invested according to the Board's direction.

Capital Assets

Capital assets include property, buildings and improvements, and equipment and are reported in the governmental column in the Government-Wide statement of Net Assets. Capital assets are defined by the District as assets with an initial cost of more than \$500 and an estimated useful life of more than one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their fair market value at the date of donation.

Buildings and equipment are depreciated using the straight-line method over the estimated useful life of the asset. The estimated useful life is 50 years for buildings, 5 years for equipment, and 15 years for vehicles.

**SISTERS-CAMP SHERMAN RURAL
FIRE PROTECTION DISTRICT**

Deschutes County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

Note 1 - Summary of Significant Accounting Policies - Continued

Accrued Compensated Absences

The District employees are allowed to accumulate earned but unused vacation leave. A liability for the vested portion of such leave is reported in the Government-Wide funds.

Long-Term Debt

In the Government-Wide financial statements long-term debt is reported as a liability in the Statement of Net Assets. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bond issuance costs are capitalized in the year of issue and are amortized over the life of the bond.

In the fund financial statements, Governmental Fund types recognize bond premium and discounts as well as issuance costs during the current period. The face amount of the debt issued, less issuance costs, is reported as other financing sources.

Estimates

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

Fund Structure

Major Funds

General Fund - The General Fund accounts for the financial operations of the District's fire protection costs not accounted for in other funds. Principal sources of revenues are property taxes and ambulance revenues. Expenditures are for the fire protection and ambulance services.

For reporting purposes for the basic financial statements, the General Fund is combined with the funds designated by the Board. For budgetary reporting, all funds are reported separately.

Other Funds

Capital Project Funds - These funds were established to account for the reserves established by the Board to accumulate assets for the acquisition of capital assets. These funds are the Building Reserve and the Equipment Reserve.

Debt Service Fund - This fund was established to account for the property tax collection dedicated to the retirement of the general obligation bond issue.

Fund Balance Reporting

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

**SISTERS-CAMP SHERMAN RURAL
FIRE PROTECTION DISTRICT**

Deschutes County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

Note 1 - Summary of Significant Accounting Policies - Continued

Fund Balance Reporting - Continued

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories as follows:

1) Nonspendable:

These are items such as fund balances associated with inventories, prepaids, long-term loans and notes receivables and property held for resale (unless proceeds are restricted, committed or assigned).

2) Restricted:

This fund balance category includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers or through enabling legislation.

3) Committed:

This fund balance classification includes amounts that can be used only for the specific purpose determined by a formal action of the District's governing board (the District's highest level of decision-making authority).

4) Assigned:

This fund balance classification is intended to be used by the government for specific purposes but does not meet the criteria to be classified as restricted or committed.

5) Unassigned:

This fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

Note 2 - Budget Compliance

The District's management submits requests for appropriations to the Budget Officer appointed by the Board of Directors. The budget is prepared by fund, function, and activity. The budget document includes information on the prior three years as well as estimated revenue and requested appropriations for the ensuing fiscal year.

The proposed budget is presented to the Budget Committee by the Budget Officer. Public hearings are held by the Budget Committee and the Committee may make changes to the original document. The Budget Committee will approve the budget document to be submitted to the governing body of the District. The governing body will hold a public hearing on a published date. After the public hearing, the governing body will give considerations to matters discussed and may make changes to the budget document prior to adoption. State statutes do not allow the governing body to increase expenditures for each fund by more than 10 percent, and the amount of the ad valorem tax to be certified by the District cannot be increased by the governing body.

The governing body is then required by State Statutes to adopt the budget, make appropriations, and to certify the levy of ad valorem taxes for each fund. Except for the allowance of appropriation transfers, expenditures cannot be made in excess of the appropriations.

**SISTERS-CAMP SHERMAN RURAL
FIRE PROTECTION DISTRICT**

Deschutes County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

Note 3 - Cash and Cash Equivalents

Deposits with Financial Institutions

Deposits with financial institutions are comprised of demand checking accounts and money market deposits. Effective July 1, 2008, the State of Oregon formed the Oregon Public Funds Collateralization Program (OPFCP) under ORS 295. The OPFCP creates a state-wide pool of qualified bank depositories for local governments, provides collateralization for bank balances that exceed the limits of the Federal Depository Insurance Corporation (FDIC), and eliminates the need for certificates of participation. As of June 30, 2013, the District had a total bank balance of \$260,520 that was covered by FDIC coverage and collateralized by the OPFCP.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to the government. The District's policy, in compliance with State Statutes, requires that deposits be covered by FDIC and deposited in a bank that is qualified in the OPFCP.

Investments

The District's investments are deposited with the Local Governmental Investment Pool (LGIP). The District does not invest in other types of investments.

The LGIP is not registered with the U.S. Securities and Exchange Commission as an investment company. The Oregon Revised Statutes and the Oregon Investment Council govern the LGIP's investment policies. The State Treasurer is the investment officer for the LGIP and is responsible for funds in the LGIP. These funds must be invested and the investments managed, as a prudent investor would, 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 establish diversification percentages and specify the types and maturities of investments. The Oregon Audits Division of the Secretary of State's office audits the LGIP annually. The LGIP does not have a credit quality rating.

The fair-market value of the District's position in the LGIP at June 30, 2013, was equivalent to the District's carrying amount.

As of June 30, 2013, the cash consisted of:

| | |
|--------------------------|---------------------|
| Cash on hand | \$ 167 |
| Demand checking accounts | 250,670 |
| LGIP | <u>1,555,074</u> |
| Totals | <u>\$ 1,805,911</u> |

**SISTERS-CAMP SHERMAN RURAL
FIRE PROTECTION DISTRICT**

Deschutes County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

Note 4 - Property Taxes Receivable

The tax levy is certified by the District Board annually to the Deschutes County Assessor. The property tax rate is calculated by the Assessor for each taxing district based on the assessed valuation as of July 1. The tax levy becomes a lien on the property as of July 1 of each year. The taxes may be paid by the property owner by November 15 to receive a three-percent discount. The installment method can also be used by the property owner to pay the taxes if they pay, following the date of the lien, one-third by November 15, February 15, and May 15.

Unpaid taxes become subject to foreclosure four years after they become a lien on the property. The collections and foreclosures are the responsibility of the County Tax Collector and Treasurer.

Governmental funds report deferred revenue in connection with property taxes that are not considered to be available to liquidated liabilities of the current period. As of June 30, 2013, the District reported \$112,332 of property taxes receivable and reported \$19,172 as earned in the current period. Deferred revenue is \$93,161 on the Governmental Funds financial statements.

Note 5 - Capital Assets

Capital asset activity for the year was as follows:

| | <u>Balance July 1, 2012</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance June 30, 2013</u> |
|------------------------------|---------------------------------|---------------------|------------------|----------------------------------|
| Capital Assets | | | | |
| Assets not being depreciated | | | | |
| Land | \$ 329,000 | \$ - | \$ - | \$ 329,000 |
| Assets being depreciated | | | | |
| Buildings | 5,489,884 | 28,694 | - | 5,518,578 |
| Equipment | 877,483 | - | - | 877,483 |
| Vehicles | <u>2,952,933</u> | <u>148,077</u> | - | <u>3,101,010</u> |
| Totals | 9,649,300 | <u>\$ 176,771</u> | <u>\$ -</u> | <u>9,826,071</u> |
| Accumulated Depreciation | <u>(3,576,005)</u> | <u>\$ (242,306)</u> | <u>\$ -</u> | <u>(3,818,311)</u> |
| Net Book Value | <u>\$ 6,073,295</u> | | | <u>\$ 6,007,760</u> |

Accumulated Depreciation is summarized as follows:

| | <u>Balance July 1, 2012</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance June 30, 2013</u> |
|-----------|---------------------------------|-------------------|------------------|----------------------------------|
| Buildings | \$ 1,067,291 | \$ 110,085 | \$ - | \$ 1,177,376 |
| Equipment | 396,315 | 53,086 | - | 449,401 |
| Vehicles | <u>2,112,399</u> | <u>79,135</u> | - | <u>2,191,534</u> |
| Totals | <u>\$ 3,576,005</u> | <u>\$ 242,306</u> | <u>\$ -</u> | <u>\$ 3,818,311</u> |

**SISTERS-CAMP SHERMAN RURAL
FIRE PROTECTION DISTRICT**

Deschutes County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

Note 5 - Capital Assets - Continued

Depreciation is computed using the straight-line method over the estimated useful life of the asset. The following is a summary of the depreciation:

| | <u>Life</u> | <u>Cost</u> | <u>Accumulated Depreciation</u> | <u>Net</u> | <u>Expense 2012-13</u> |
|-------------------------------------|-------------|---------------------|-------------------------------------|---------------------|----------------------------|
| Assets not being depreciated | | | | | |
| Land | | \$ 329,000 | \$ - | \$ 329,000 | \$ - |
| Assets being depreciated | | | | | |
| Buildings | 50 | 5,518,578 | 1,177,376 | 4,341,202 | 110,085 |
| Equipment | 5 | 877,483 | 449,401 | 428,082 | 53,086 |
| Vehicles | 15 | 3,101,010 | 2,191,534 | 909,476 | 79,135 |
| Total Assets Being Depreciated | | <u>9,497,071</u> | <u>3,818,311</u> | <u>5,678,760</u> | <u>242,306</u> |
| Total Capital Assets | | <u>\$ 9,826,071</u> | <u>\$ 3,818,311</u> | <u>\$ 6,007,760</u> | <u>\$ 242,306</u> |

Note 6 - Long-Term Debt

The District issued general obligation bonds in the amount of \$2,500,000 in the 2006-07 fiscal year. The bond proceeds, approved by the District voters, were used to build a new fire station in the District. The issue, Series 2007, is payable in annual principal payments from \$30,000 to \$245,000 with an average interest rate of 4.31%. The obligation is scheduled to be retired in the 2026-27 fiscal year. The issue will be retired by tax levy on property within the District.

A summary of the changes in the long-term debt is as follows:

| | <u>Balance July 1, 2012</u> | <u>Additions</u> | <u>Payments</u> | <u>Balance June 30, 2013</u> |
|-------------|---------------------------------|------------------|-----------------|----------------------------------|
| Series 2007 | \$ 2,250,000 | \$ - | \$ 75,000 | \$ 2,175,000 |

The debt service requirements as of June 30, 2012, is as follows:

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------------------------|---------------------|-------------------|---------------------|
| 2013-14 | \$ 80,000 | \$ 94,038 | \$ 174,038 |
| 2014-15 | 90,000 | 90,837 | 180,837 |
| 2015-16 | 100,000 | 87,013 | 187,013 |
| 2016-17 | 110,000 | 82,763 | 192,763 |
| 2017-18 | 120,000 | 78,087 | 198,087 |
| 2019-23 | 785,000 | 298,862 | 1,083,862 |
| 2024-27 | 890,000 | 97,750 | 987,750 |
| Totals | <u>\$ 2,175,000</u> | <u>\$ 829,350</u> | <u>\$ 3,004,350</u> |

**SISTERS-CAMP SHERMAN RURAL
FIRE PROTECTION DISTRICT**

Deschutes County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

Note 7 - Transfers

The District's General Fund annually transfers money to other governmental funds without a requirement of repayment: The District's General Fund made transfers to the Building Reserve fund of \$47,000 and the Equipment Fund of \$117,303. Transfers were also made to the Employment Fund of \$80,000 and the Technology Fund of \$5,000.

Note 8 - Pension Plan

Plan Description

The District contributes to two pension plans administered by the Oregon Employees Retirement System (PERS). The Oregon Public Employees Retirement Fund (OPERF) applies to the District's contribution for qualifying employees who were hired before August 29, 2003, and is a cost-sharing multiple-employer defined benefit pension plan. The Oregon Public Service Retirement Plan (OPSRP) is a hybrid successor plan to the OPERF and consists of two programs: The Pension Program, the defined benefit portion of the plan applies to qualifying City employees hired after August 29, 2003, and to inactive employees who return to employment following a six-month or greater break in service. Benefits are calculated by a formula for the members who attain normal retirement age. The formula takes into account final average salary and years of service. As of January 1, 2004, all PERS member contributions go to the Individual Account Program (IAP), the defined contributions portion of the plan. PERS members retain their existing PERS accounts, but any future member contributions are deposited into the member's IAP, not the member's PERS account.

Both PERS plans provide retirement and disability benefits, post-employment healthcare benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS is administered under Oregon Revised Statute Chapter 238, which establishes the Public Employees Retirement Board as the governing body of PERS. PERS issues a publicly available financial report that includes financial statements and required supplemental information. This report may be obtained by writing to the Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, Oregon 97281-3700 or by calling 503-598-7377.

Funding Policy and Annual Pension Cost

Members of PERS are required to contribute 6% of their salary covered under the plan, which is invested in the OPSRP Individual Account Program. The employer is allowed to pay any or all of the employee's contribution in addition to the required employer's contribution. For the fiscal year ended June 30, 2013, the District contributed all of the 6% contribution on behalf of the employees. The District is required by ORS 235.225 to contribute at an actuarially determined rate for the qualifying employees under the OPERF plan, and a general service rate for the qualifying employees under the OPSRP plan. The OPERF and the OPSRP rates in effect for the year ended June 30, 2013, were 8.84% and 16.02% respectively.

**SISTERS-CAMP SHERMAN RURAL
FIRE PROTECTION DISTRICT**

Deschutes County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

Note 8 - Pension Plan - Continued

| | Fiscal Year Ended June 30 | | |
|----------------------------|---------------------------|-------------|-------------|
| | 2013 | 2012 | 2011 |
| District contribution rate | | | |
| OPSRP | 8.84% | 8.84% | 8.52% |
| PERS | 16.02% | 16.02% | 14.11% |
| Employee contribution rate | 6.0% | 6.0% | 6.0% |
| District total payroll | \$1,127,026 | \$1,220,163 | \$1,123,394 |
| District covered payroll | \$1,054,642 | \$976,338 | \$1,290,965 |
| Annual pension cost | \$212,363 | \$203,056 | \$225,693 |
| Net pension obligation | \$0 | \$0 | \$0 |

Note 9 - Risk Management

The District is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injury to employees; and natural disasters for which the District carries commercial insurance. The District reviews the coverage periodically, and there has not been a significant reduction in coverage from the prior years. Any settlements have not exceeded coverage in the past three years.

Note 10 - Post Employment Benefits Other Than Pension

Governmental Accounting Standards Board (GASB) Statement 45 requires the District to determine the extent of its liability for other post-employment benefits (OPEB) and record the liability in its financial statements on an accrual basis. This includes the requirement of ORS 243.303 of offering the same healthcare benefits for current employees to all retirees and their dependents until such times as the retirees are eligible for Medicare. This is referred to as an "implied subsidy" under GASB 45.

The District participates in PERS and does not have any non-PERS OPEB. PERS retirees who receive benefits through Tier 1 and Tier 2 plans and are enrolled in certain PERS administered health insurance programs may receive a subsidy towards the payment of health insurance premiums. Under ORS 238.420, retirees may receive a subsidy for Medicare supplemental health insurance of up to \$60 per month towards the cost of their health insurance premium under the Retirement Health Insurance Account (RHIA). The RHIA program's assets and liabilities are pooled on a system-wide basis and are not tracked or calculated on an employer basis. According to the 2007 System Valuation, this program had an unfunded actuarial liability of approximately \$248.8 million. The District's allocated share of the RHIA program's assets and liabilities is based on the District's proportional share of the program's pooled payroll. This amount can not be determined and is not reported as a liability on these financial statements.

Note 11 - Subsequent Events

Sisters - Camp Sherman management has evaluated subsequent events through October 10, 2013, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

**SISTERS-CAMP SHERMAN RURAL
FIRE PROTECTION DISTRICT**
Deschutes County, Oregon

**SCHEDULE OF ACTUAL AND BUDGETED TRANSACTIONS
GENERAL FUND
BUDGETARY BASIS**

Fiscal Year Ended June 30, 2013

| Revenues | Budget | | Actual | Variance Over (Under) |
|--------------------------|------------------|------------------|---------------------|-----------------------------|
| | Original | Final | | |
| Local Sources | | | | |
| Property taxes | | | | |
| Current | \$ 1,864,298 | \$ 1,864,298 | \$ 2,000,655 | \$ 136,357 |
| Prior | 65,170 | 65,170 | 79,233 | 14,063 |
| Interest | 6,150 | 6,150 | 9,709 | 3,559 |
| Ambulance charges | 160,000 | 160,000 | 287,048 | 127,048 |
| Fire contracts and other | 7,000 | 7,000 | 3,942 | (3,058) |
| Fire-Med | 27,000 | 27,000 | 23,523 | (3,477) |
| Other | 17,140 | 17,140 | 44,146 | 27,006 |
| Intergovernmental | | | | |
| Grants | - | - | 1,020 | 1,020 |
| Total Revenues | <u>2,146,758</u> | <u>2,146,758</u> | <u>2,449,276</u> | <u>302,518</u> |
| Beginning Fund Balance | <u>1,233,599</u> | <u>1,233,599</u> | <u>1,396,887</u> | <u>163,288</u> |
| Total Resources | <u>3,380,357</u> | <u>3,380,357</u> | <u>3,846,163</u> | <u>465,806</u> |
| Expenditures | | | | |
| Personal services | 1,772,667 | 1,772,667 | 1,698,530 | (74,137) |
| Materials and services | 518,337 | 518,337 | 415,169 | (103,168) |
| Capital outlay | 40,050 | 40,050 | 38,112 | (1,938) |
| Transfers | 249,303 | 249,303 | 249,303 | - |
| Operating contingency | 800,000 | 800,000 | - | (800,000) |
| Total Expenditures | <u>3,380,357</u> | <u>3,380,357</u> | <u>2,401,114</u> | <u>(979,243)</u> |
| Ending Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,445,049</u> | <u>\$ 1,445,049</u> |

SISTERS – CAMP SHERMAN RURAL FIRE PROTECTION DISTRICT
Deschutes County, Oregon

ADDITIONAL SUPPLEMENTAL INFORMATION

**SISTERS-CAMP SHERMAN RURAL
FIRE PROTECTION DISTRICT**
Deschutes County, Oregon

**SCHEDULE OF ACTUAL AND BUDGETED TRANSACTIONS
MANAGEMENT DETAIL
GENERAL FUND
BUDGETARY BASIS**

Fiscal Year Ended June 30, 2013

| Revenues | Final Budget | Actual | Variance Over (Under) |
|-----------------------------|---------------------|---------------------|-----------------------------|
| Local Sources | | | |
| Property taxes | | | |
| Current | \$ 1,864,298 | \$ 2,000,655 | \$ 136,357 |
| Prior | 65,170 | 79,233 | 14,063 |
| Interest | 6,150 | 9,709 | 3,559 |
| Ambulance charges | 160,000 | 287,048 | 127,048 |
| Fire contracts and other | 7,000 | 3,942 | (3,058) |
| Fire-Med | 27,000 | 23,523 | (3,477) |
| Other | 17,140 | 44,146 | 27,006 |
| Intergovernmental Grants | - | 1,020 | 1,020 |
| Total Revenues | <u>2,146,758</u> | <u>2,449,276</u> | <u>302,518</u> |
| Beginning Fund Balance | <u>1,233,599</u> | <u>1,396,887</u> | <u>163,288</u> |
| Total Resources | <u>\$ 3,380,357</u> | <u>\$ 3,846,163</u> | <u>\$ 465,806</u> |
| Expenditures | | | |
| Board of Directors | | | |
| Personal services | \$ 9,165 | \$ 8,537 | \$ (628) |
| Materials and services | 67,935 | 53,133 | (14,802) |
| Total Board of Directors | <u>77,100</u> | <u>61,670</u> | <u>(15,430)</u> |
| Fire Chief | | | |
| Personal services | 169,700 | 159,421 | (10,279) |
| Materials and services | 10,500 | 3,008 | (7,492) |
| Total Fire Chief | <u>180,200</u> | <u>162,429</u> | <u>(17,771)</u> |
| Administration | | | |
| Personal services | 200,454 | 199,567 | (887) |
| Materials and services | 51,810 | 37,668 | (14,142) |
| Capital outlay | 1,000 | 1,000 | - |
| Total Administration | <u>253,264</u> | <u>238,235</u> | <u>(15,029)</u> |
| Training | | | |
| Materials and services | 35,850 | 22,073 | (13,777) |
| Fire Prevention | | | |
| Materials and services | 4,700 | 3,672 | (1,028) |

**SISTERS-CAMP SHERMAN RURAL
FIRE PROTECTION DISTRICT**
Deschutes County, Oregon

**SCHEDULE OF ACTUAL AND BUDGETED TRANSACTIONS
MANAGEMENT DETAIL
GENERAL FUND
BUDGETARY BASIS - CONTINUED**

Fiscal Year Ended June 30, 2013

| Expenditures - Continued | <u>Budget</u> | <u>Actual</u> | Variance Over (Under) |
|--|------------------|----------------|-----------------------------|
| Career Staff | | | |
| Personal services | 1,042,781 | 990,502 | (52,279) |
| Materials and services | <u>650</u> | <u>72</u> | <u>(578)</u> |
| Total Career Staff | <u>1,043,431</u> | <u>990,574</u> | <u>(52,857)</u> |
| Deputy Chief - Administration | | | |
| Personal services | 151,582 | 150,824 | (758) |
| Materials and services | <u>8,000</u> | <u>1,966</u> | <u>(6,034)</u> |
| Total Deputy Chief - Administration | <u>159,582</u> | <u>152,790</u> | <u>(6,792)</u> |
| Volunteer Staff | | | |
| Personal services | 21,367 | 18,570 | (2,797) |
| Materials and services | <u>41,057</u> | <u>40,230</u> | <u>(827)</u> |
| Total Volunteer Staff | <u>62,424</u> | <u>58,800</u> | <u>(3,624)</u> |
| Deputy Chief - Operations | | | |
| Personal services | 149,556 | 145,485 | (4,071) |
| Materials and services | <u>5,535</u> | <u>1,442</u> | <u>(4,093)</u> |
| Total Deputy Chief - Operations | <u>155,091</u> | <u>146,927</u> | <u>(8,164)</u> |
| Student Program | | | |
| Materials and services | <u>55,100</u> | <u>43,976</u> | <u>(11,124)</u> |
| Temporary Staff | | | |
| Personal services | <u>28,062</u> | <u>25,624</u> | <u>(2,438)</u> |
| Emergency Medical Services (EMS) | | | |
| Materials and services | 52,450 | 51,693 | (757) |
| Capital outlay | <u>3,000</u> | <u>3,000</u> | <u>-</u> |
| Total EMS | <u>55,450</u> | <u>54,693</u> | <u>(757)</u> |
| Communications | | | |
| Materials and services | 13,700 | 9,563 | (4,137) |
| Capital outlay | <u>5,000</u> | <u>5,000</u> | <u>-</u> |
| Total Communications | <u>18,700</u> | <u>14,563</u> | <u>(4,137)</u> |

**SISTERS-CAMP SHERMAN RURAL
FIRE PROTECTION DISTRICT**
Deschutes County, Oregon

**SCHEDULE OF ACTUAL AND BUDGETED TRANSACTIONS
MANAGEMENT DETAIL
GENERAL FUND
BUDGETARY BASIS - CONTINUED**
Fiscal Year Ended June 30, 2013

| Expenditures - Continued | <u>Budget</u> | <u>Actual</u> | Variance Over (Under) |
|-----------------------------|---------------------|---------------------|-----------------------------|
| Facilities | | | |
| Materials and services | 93,800 | 83,798 | (10,002) |
| Capital outlay | <u>1,500</u> | <u>-</u> | <u>(1,500)</u> |
| Total Facilities | <u>95,300</u> | <u>83,798</u> | <u>(11,502)</u> |
| Fire Equipment and Supplies | | | |
| Materials and services | 26,950 | 27,194 | 244 |
| Capital outlay | <u>29,550</u> | <u>29,112</u> | <u>(438)</u> |
| Total Fire Equipment | <u>56,500</u> | <u>56,306</u> | <u>(194)</u> |
| Vehicles | | | |
| Materials and services | <u>50,300</u> | <u>35,681</u> | <u>(14,619)</u> |
| Non Departmental | | | |
| Transfers | 249,303 | 249,303 | - |
| Operating contingency | <u>800,000</u> | <u>-</u> | <u>(800,000)</u> |
| Total Non Departmental | <u>1,049,303</u> | <u>249,303</u> | <u>(800,000)</u> |
| Total Expenditures | <u>\$ 3,380,357</u> | <u>\$ 2,401,114</u> | <u>\$ (979,243)</u> |
| General Fund Summary | | | |
| Total Revenues | \$ 2,146,758 | \$ 2,449,276 | \$ 302,518 |
| Beginning Fund Balance | <u>1,233,599</u> | <u>1,396,887</u> | <u>163,288</u> |
| Total Resources | <u>3,380,357</u> | <u>3,846,163</u> | <u>465,806</u> |
| Expenditures | | | |
| Personal services | 1,772,667 | 1,698,530 | (74,137) |
| Materials and services | 518,337 | 415,169 | (103,168) |
| Capital outlay | 40,050 | 38,112 | (1,938) |
| Transfers | 249,303 | 249,303 | - |
| Operating contingency | <u>800,000</u> | <u>-</u> | <u>(800,000)</u> |
| Total Expenditures | <u>3,380,357</u> | <u>2,401,114</u> | <u>(979,243)</u> |
| Ending Fund Balance | <u>\$ -</u> | <u>\$ 1,445,049</u> | <u>\$ 1,445,049</u> |

**SISTERS-CAMP SHERMAN RURAL
FIRE PROTECTION DISTRICT
Deschutes County, Oregon**

**COMBINING BALANCE SHEET
GENERAL FUND SUB-FUNDS**

June 30, 2013

| | <u>General</u> | <u>Employment</u> | <u>Technology</u> | <u>Totals</u> |
|---|----------------------------|--------------------------|-------------------------|----------------------------|
| Assets | | | | |
| Cash and cash equivalents | \$ 1,391,453 | \$ 106,064 | \$ 13,831 | \$ 1,511,348 |
| Property taxes receivable | 103,378 | - | - | 103,378 |
| Accounts receivable | 45,479 | - | - | 45,479 |
| Due from (to) other funds | <u>547</u> | <u>-</u> | <u>-</u> | <u>547</u> |
| Total Assets | <u>\$ 1,540,857</u> | <u>\$ 106,064</u> | <u>\$ 13,831</u> | <u>\$ 1,660,752</u> |
| Liabilities and Fund Balance | | | | |
| Liabilities | | | | |
| Accounts payable | \$ 10,010 | \$ - | \$ - | \$ 10,010 |
| Deferred revenue | <u>85,798</u> | <u>-</u> | <u>-</u> | <u>85,798</u> |
| Total Liabilities | <u>95,808</u> | <u>-</u> | <u>-</u> | <u>95,808</u> |
| Fund Balance | | | | |
| Board Assigned | | | | |
| Board Designated | - | 106,064 | 13,831 | 119,895 |
| Unassigned | <u>1,445,049</u> | <u>-</u> | <u>-</u> | <u>1,445,049</u> |
| Total Fund Balance | <u>1,445,049</u> | <u>106,064</u> | <u>13,831</u> | <u>1,564,944</u> |
| Total Liabilities and Fund Balance | <u>\$ 1,540,857</u> | <u>\$ 106,064</u> | <u>\$ 13,831</u> | <u>\$ 1,660,752</u> |

**SISTERS-CAMP SHERMAN RURAL
FIRE PROTECTION DISTRICT**
Deschutes County, Oregon

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GENERAL FUND SUB-FUNDS**

For the Year Ended June 30, 2013

| | <u>General</u> | <u>Employment</u> | <u>Technology</u> | <u>Totals</u> |
|---|---------------------|-------------------|-------------------|---------------------|
| Revenues | | | | |
| Local | | | | |
| Property taxes | \$ 2,079,888 | \$ - | \$ - | \$ 2,079,888 |
| Interest | 9,709 | - | - | 9,709 |
| Charges for services | 290,990 | - | - | 290,990 |
| Other | 67,669 | 21,482 | - | 89,151 |
| Intergovernmental | | | | |
| Grants | 1,020 | - | - | 1,020 |
| Total Revenues | <u>2,449,276</u> | <u>21,482</u> | <u>-</u> | <u>2,470,758</u> |
| Expenditures | | | | |
| Current | | | | |
| Public safety | 2,113,699 | 25,209 | 1,560 | 2,140,468 |
| Capital Outlay | 38,112 | - | - | 38,112 |
| Total Expenditures | <u>2,151,811</u> | <u>25,209</u> | <u>1,560</u> | <u>2,178,580</u> |
| Excess of Revenues Over (Under) Expenditures | <u>297,465</u> | <u>(3,727)</u> | <u>(1,560)</u> | <u>292,178</u> |
| Other Financing Sources (uses) | | | | |
| Transfers in (out) | <u>(249,303)</u> | <u>80,000</u> | <u>5,000</u> | <u>(164,303)</u> |
| Net Change in Fund Balances | 48,162 | 76,273 | 3,440 | 127,875 |
| Fund Balances - Beginning of Year | <u>1,396,887</u> | <u>29,791</u> | <u>10,391</u> | <u>1,437,069</u> |
| Fund Balances - End of Year | <u>\$ 1,445,049</u> | <u>\$ 106,064</u> | <u>\$ 13,831</u> | <u>\$ 1,564,944</u> |

**SISTERS-CAMP SHERMAN RURAL
FIRE PROTECTION DISTRICT
Deschutes County, Oregon**

**COMBINING BALANCE SHEET
CAPITAL PROJECT FUNDS**

June 30, 2013

| | <u>Building</u> | <u>Equipment Reserve</u> | <u>Totals</u> |
|--------------------------------------|------------------|------------------------------|-------------------|
| Assets | | | |
| Cash and cash equivalents | \$ 52,152 | \$ 99,793 | \$ 151,945 |
| Liabilities and Fund Balances | | | |
| Liabilities | | | |
| Due to other funds | \$ - | \$ 547 | \$ 547 |
| Fund Balances | | | |
| Board Assigned | | | |
| Board Designated | <u>52,152</u> | <u>99,246</u> | <u>151,398</u> |
| Total Liabilities and Fund Balances | <u>\$ 52,152</u> | <u>\$ 99,793</u> | <u>\$ 151,945</u> |

**SISTERS-CAMP SHERMAN RURAL
FIRE PROTECTION DISTRICT
Deschutes County, Oregon**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE -CAPITAL PROJECT FUNDS**

For the Year Ended June 30, 2013

| | Building | Equipment Reserve | Totals |
|--|-----------|----------------------|------------|
| Expenditures | | | |
| Current | | | |
| Public safety | \$ 28,694 | \$ - | \$ 28,694 |
| Capital Outlay | - | 43,295 | 43,295 |
| Total Expenditures | 28,694 | 43,295 | 71,989 |
| Excess of Revenues Over (Under) Expenditures | (28,694) | (43,295) | (71,989) |
| Other Financing Sources (uses) | | | |
| Transfers in (out) | 47,000 | 117,303 | 164,303 |
| Net Change in Fund Balances | 18,306 | 74,008 | 92,314 |
| Fund Balances - Beginning of Year | 33,846 | 25,238 | 59,084 |
| Fund Balances - End of Year | \$ 52,152 | \$ 99,246 | \$ 151,398 |

**SISTERS-CAMP SHERMAN RURAL
FIRE PROTECTION DISTRICT
Deschutes County, Oregon**

**SCHEDULE OF ACTUAL AND BUDGETED TRANSACTIONS
EMPLOYMENT FUND
BUDGETARY BASIS**

Fiscal Year Ended June 30, 2013

| | Budget | | Actual | Variance Over (Under) |
|----------------------------|----------|---------|------------|-----------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Local | | | | |
| Other | \$ - | \$ - | \$ 21,482 | \$ 21,482 |
| Transfers from other funds | 80,000 | 80,000 | 80,000 | - |
| Beginning Fund Balance | 25,000 | 25,000 | 29,791 | 4,791 |
| Total Resources | 105,000 | 105,000 | 131,273 | 26,273 |
| Expenditures | | | | |
| Personal services | 105,000 | 105,000 | 25,209 | (79,791) |
| Ending Fund Balance | \$ - | \$ - | \$ 106,064 | \$ 106,064 |

**SISTERS-CAMP SHERMAN RURAL
FIRE PROTECTION DISTRICT**
Deschutes County, Oregon

**SCHEDULE OF ACTUAL AND BUDGETED TRANSACTIONS
TECHNOLOGY RESERVE FUND
BUDGETARY BASIS**

Fiscal Year Ended June 30, 2013

| | Budget | | Actual | Variance Over (Under) |
|-------------------------------|---------------|---------------|------------------|-----------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Transfers from other funds | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ - |
| Beginning Fund Balance | <u>10,390</u> | <u>10,390</u> | <u>10,391</u> | <u>1</u> |
| Total Resources | <u>15,390</u> | <u>15,390</u> | <u>15,391</u> | <u>1</u> |
| Expenditures | | | | |
| Materials and services | <u>15,390</u> | <u>15,390</u> | <u>1,560</u> | <u>(13,830)</u> |
| Total Expenditures | <u>15,390</u> | <u>15,390</u> | <u>1,560</u> | <u>(13,830)</u> |
| Ending Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 13,831</u> | <u>\$ 13,831</u> |

**SISTERS-CAMP SHERMAN RURAL
FIRE PROTECTION DISTRICT
Deschutes County, Oregon**

**SCHEDULE OF ACTUAL AND BUDGETED TRANSACTIONS
BUILDING FUND
BUDGETARY BASIS**

Fiscal Year Ended June 30, 2013

| | Budget | | Actual | Variance Over (Under) |
|----------------------------|---------------|---------------|------------------|-----------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Transfers from other funds | \$ 47,000 | \$ 47,000 | \$ 47,000 | \$ - |
| Beginning Fund Balance | <u>33,845</u> | <u>33,845</u> | <u>33,846</u> | <u>1</u> |
| Total Resources | <u>80,845</u> | <u>80,845</u> | <u>80,846</u> | <u>1</u> |
| Expenditures | | | | |
| Materials and services | <u>80,845</u> | <u>80,845</u> | <u>28,694</u> | <u>(52,151)</u> |
| Ending Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 52,152</u> | <u>\$ 52,152</u> |

**SISTERS-CAMP SHERMAN RURAL
FIRE PROTECTION DISTRICT
Deschutes County, Oregon**

**SCHEDULE OF ACTUAL AND BUDGETED TRANSACTIONS
EQUIPMENT RESERVE FUND
BUDGETARY BASIS**

Fiscal Year Ended June 30, 2013

| | Budget | | Actual | Variance Over (Under) |
|----------------------------|----------------|----------------|------------------|-----------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Transfers from other funds | \$ 117,303 | \$ 117,303 | \$ 117,303 | \$ - |
| Beginning Fund Balance | <u>27,091</u> | <u>27,091</u> | <u>25,238</u> | <u>(1,853)</u> |
| Total Resources | <u>144,394</u> | <u>144,394</u> | <u>142,541</u> | <u>(1,853)</u> |
| Expenditures | | | | |
| Capital outlay | <u>144,394</u> | <u>144,394</u> | <u>43,295</u> | <u>(101,099)</u> |
| Ending Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 99,246</u> | <u>\$ 99,246</u> |

**SISTERS-CAMP SHERMAN RURAL
FIRE PROTECTION DISTRICT**

**SCHEDULE OF ACTUAL AND BUDGETED TRANSACTIONS
DEBT SERVICE FUND
BUDGETARY BASIS**

Fiscal Year Ended June 30, 2013

| | Budget | | Actual | Variance Over (Under) |
|-------------------------------|-------------------|-------------------|-------------------|-----------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Local | | | | |
| Property taxes | | | | |
| Current | \$ 174,000 | \$ 174,000 | \$ 165,184 | \$ (8,816) |
| Prior | - | - | 7,927 | 7,927 |
| Interest | 100 | 100 | 305 | 205 |
| Total Revenues | 174,100 | 174,100 | 173,416 | (684) |
| Beginning Fund Balance | 129,000 | 129,000 | 142,831 | 13,831 |
| Total Resources | 303,100 | 303,100 | 316,247 | 13,147 |
| Expenditures | | | | |
| Debt Service | | | | |
| Principal | 75,000 | 75,000 | 75,000 | - |
| Interest | 97,038 | 97,038 | 97,038 | - |
| Total Expenditures | 172,038 | 172,038 | 172,038 | - |
| Ending Fund Balance | \$ 131,062 | \$ 131,062 | \$ 144,209 | \$ 13,147 |

**SISTERS-CAMP SHERMAN RURAL
FIRE PROTECTION DISTRICT**
Deschutes County, Oregon

**SCHEDULE OF PROPERTY TAX TRANSACTIONS
GENERAL FUND**

For the Year Ended June 30, 2013

| Tax Year | Beginning Balance and 2012-13 Levy | Adjustments | Interest (Discounts) | Turnovers From County Treasurer | Receivables June 30, 2013 |
|--|--|--------------------|-------------------------|---------------------------------------|------------------------------|
| Deschutes County | | | | | |
| 2012-13 | \$ 1,905,903 | \$ (14,292) | \$ (45,381) | \$ 1,801,134 | \$ 45,096 |
| 2011-12 | 57,501 | (896) | 1,981 | 37,635 | 20,951 |
| 2010-11 | 29,729 | (681) | 2,419 | 19,303 | 12,164 |
| 2009-10 | 19,476 | 6 | 3,340 | 18,642 | 4,180 |
| 2008-09 | 8,366 | (138) | 2,029 | 9,247 | 1,010 |
| 2007-08 | 956 | (52) | 180 | 621 | 463 |
| 2006-07 | 236 | (22) | 62 | 180 | 96 |
| Prior | 520 | (14) | 47 | 125 | 428 |
| Totals | \$ 2,022,687 | \$ (16,089) | \$ (35,323) | \$ 1,886,887 | \$ 84,388 |
| Jefferson County | | | | | |
| 2012-13 | \$ 204,051 | \$ (378) | \$ (4,899) | \$ 189,934 | \$ 8,840 |
| 2011-12 | 9,282 | (38) | 275 | 4,559 | 4,960 |
| 2010-11 | 5,357 | (24) | 285 | 2,157 | 3,461 |
| 2009-10 | 3,178 | (43) | 428 | 2,183 | 1,380 |
| 2008-09 | 1,599 | (32) | 402 | 1,834 | 135 |
| 2007-08 | 141 | (15) | 23 | 73 | 76 |
| 2006-07 | 97 | (5) | 11 | 31 | 72 |
| Prior | 67 | 1 | 1 | 3 | 66 |
| Totals | \$ 223,772 | \$ (534) | \$ (3,474) | 200,774 | \$ 18,990 |
| Total All Counties | \$ 2,246,459 | \$ (16,623) | \$ (38,797) | 2,087,661 | \$ 103,378 |
| County land sale proceeds | | | | 446 | |
| Adjustment for Accrual July 1, 2012 | | | | (25,799) | |
| June 30, 2013 | | | | | |
| Current | | | 9,141 | | |
| Prior | | | 8,439 | 17,580 | |
| Tax Revenue 2012-13 | | | | \$ 2,079,888 | |
| Tax Revenue 2012-13 | | | | | |
| Current | | | | \$ 2,000,655 | |
| Prior | | | | 79,233 | |
| Total | | | | \$ 2,079,888 | |

**SISTERS-CAMP SHERMAN RURAL
FIRE PROTECTION DISTRICT**
Deschutes County, Oregon

**SCHEDULE OF PROPERTY TAX TRANSACTIONS
DEBT SERVICE FUND**

For the Year Ended June 30, 2013

| Tax Year | Beginning Balance and 2012-13 Levy | Adjustments | Interest (Discounts) | Turnovers From County Treasurer | Receivables June 30, 2013 |
|--|--|-------------------|-------------------------|---------------------------------------|------------------------------|
| Deschutes County | | | | | |
| 2012-13 | \$ 157,574 | \$ (1,182) | \$ (3,730) | \$ 148,934 | \$ 3,728 |
| 2011-12 | 5,277 | (82) | 272 | 3,544 | 1,923 |
| 2010-11 | 2,725 | (63) | 332 | 1,879 | 1,115 |
| 2009-10 | 1,908 | 1 | 488 | 1,987 | 410 |
| 2008-09 | 757 | (12) | 272 | 925 | 92 |
| 2007-08 | 110 | (7) | 28 | 78 | 53 |
| Totals | \$ 168,351 | \$ (1,345) | \$ (2,338) | 157,347 | \$ 7,321 |
| Jefferson County | | | | | |
| 2012-13 | \$ 16,590 | \$ (30) | \$ (398) | \$ 15,443 | \$ 719 |
| 2011-12 | 840 | (3) | 25 | 413 | 449 |
| 2010-11 | 483 | (3) | 26 | 194 | 312 |
| 2009-10 | 307 | (4) | 41 | 211 | 133 |
| 2008-09 | 142 | (2) | 36 | 164 | 12 |
| 2007-08 | 17 | (5) | 3 | 7 | 8 |
| Totals | \$ 18,379 | \$ (47) | \$ (267) | 16,432 | \$ 1,633 |
| Total All Counties | \$ 186,730 | \$ (1,392) | \$ (2,605) | 173,779 | \$ 8,954 |
| County land sale proceeds | | | | 37 | |
| Adjustment for Accrual July 1, 2012 | | | | (2,297) | |
| June 30, 2013 | | | | | |
| Current | | | \$ 770 | | |
| Prior | | | 822 | 1,592 | |
| Tax Revenue 2012-13 | | | | <u>\$ 173,111</u> | |
| Tax Revenue 2012-13 | | | | | |
| Current | | | | \$ 165,184 | |
| Prior | | | | <u>7,927</u> | |
| Total | | | | <u>\$ 173,111</u> | |

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

Richard W. Donaca

Certified Public Accountant

SISTERS - CAMP SHERMAN RURAL FIRE PROTECTION DISTRICT

Independent Auditor's Report
Required by Oregon State Regulations
June 30, 2013

I have audited the basic financial statements of Sisters - Camp Sherman Rural Fire Protection District as of and for the year ended June 30, 2013, and have issued my report thereon dated October 10, 2013. I conducted my audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether Sisters - Camp Sherman Rural Fire Protection District's financial statements are free of material misstatements, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on the compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion.

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

- Deposits of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions and payments.
- Budget 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.
- Public contracts and purchasing (ORS Chapters 297A, 297B, 297C).

SISTERS - CAMP SHERMAN RURAL FIRE PROTECTION DISTRICT

Independent Auditor's Report

Required by Oregon State Regulations - Continued

June 30, 2013

In connection with my testing, nothing came to my attention that caused me to believe the Sisters - Camp Sherman Rural Fire Protection District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audit of Oregon Municipal Corporations.

OAR 162-10-0230 Internal Control

In planning and performing my audit, I considered the Sisters - Camp Sherman Rural Fire Protection District's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Sisters - Camp Sherman Rural Fire Protection District's internal controls over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Sisters - Camp Sherman Rural Fire Protection District's internal controls over financial reporting.

A deficiency in internal control exist when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatements of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weakness. I did not identify any deficiencies in internal control over financial reporting that I considered to be a material weakness, as defined above.

Management is responsible for the establishing and maintaining internal controls and for the fair presentation of the financial statements, including disclosures, in conformity with the modified cash basis of accounting.

This report is intended solely for the information and use of the Board of Directors and management of Sisters - Camp Sherman Rural Fire Protection District and the Oregon Secretary of State and is not intended to be used and should not be used by anyone other than these parties.



Richard W. Donaca, CPA

October 10, 2013