CROOKED RIVER RANCH FIRE & RESCUE
Jefferson County, Oregon

ANNUAL FINANCIAL REPORT

June 30, 2026

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CROOKED RIVER RANCH FIRE & RESCUE
Jefferson County, Oregon

DISTRICT OFFICIALS

June 30, 2026

BOARD OF DIRECTORS

David Palmer, President

Rodney Cross, Vice President

Joseph Costigan, Treasurer

Michael Fletcher, Director

Brad Pahl, Director

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

ADMINISTRATION

Sean Hartley, Fire Chief

REGISTERED AGENT

Russell D. Poppe
975 Oak Street, Suite 700
Eugene, Oregon 97401

DISTRICT ADDRESS

6971 SW Shad Road
Terrebonne, Oregon 97760

CROOKED RIVER RANCH FIRE & RESCUE
Jefferson County, Oregon

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June 30, 2026

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Crooked River Ranch Fire & Rescue
Terrebonne, Oregon 97760

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of Crooked River Ranch Fire & Rescue, Jefferson 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 and each major fund of Crooked River Ranch Fire & Rescue, Jefferson 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 Crooked River Ranch Fire & Rescue, Jefferson 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. Crooked River Ranch Fire & Rescue 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.

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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 Crooked River Ranch Fire & Rescue, Jefferson 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 Crooked River Ranch Fire & Rescue, Jefferson 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 Crooked River Ranch Fire & Rescue, Jefferson 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 Crooked River Ranch Fire & Rescue, Jefferson 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 26, 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 26, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

CROOKED RIVER RANCH FIRE & RESCUE
Jefferson County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Crooked River Ranch Fire & Rescue, Jefferson 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 Crooked River Ranch Fire & Rescue's basic financial statements. The District's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the 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 accrued expenses and liabilities) are not recorded in these financial statements. The District has elected to record accounts payable and expenses for goods or services received but not yet paid. 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.

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 and life safety.

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 Crooked River Ranch Fire & Rescue are governmental funds.

<u>Governmental Funds</u>

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.

Crooked River Ranch Fire & Rescue maintains three 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, Debt Service, and Capital Reserve Funds, all of which are considered to be major governmental funds.

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

CROOKED RIVER RANCH FIRE & RESCUE
Jefferson 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. Crooked River Ranch Fire & Rescue 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 39 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 40 through 43 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 $2,580,428.

Condensed Statement of Net Position - Modified Cash Basis

	Governmental Activities	
	2026	2025
Assets		
Current assets	$ 1,982,950	$ 1,650,807
Restricted assets	70,739	146,803
Capital assets, net	2,126,013	2,264,463
Total assets	4,179,702	4,062,073
Liabilities		
Current liabilities	239,815	213,284
Noncurrent liabilities	1,359,459	1,591,629
Total liabilities	1,599,274	1,804,913
Net position		
Net investment in capital assets	534,384	462,170
Restricted for various purposes	70,739	146,803
Unrestricted	1,975,305	1,648,187
	$ 2,580,428	$ 2,257,160

CROOKED RIVER RANCH FIRE & RESCUE
Jefferson County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

A large portion of Crooked River Ranch Fire & Rescue's net position, $534,384, 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 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 Crooked River Ranch Fire & Rescue's net position, $70,739, 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 $1,975,305.

Changes in Net Position

Crooked River Ranch Fire & Rescue's overall net position increased by $323,268 from the prior year.

Condensed Statement of Activities - Modified Cash Basis

	Governmental Activities	
	2026	2025
Program revenues		
Charges for services	$ 330,410	$ 448,556
Operating grants and contributions	102,268	104,703
Total program revenues	432,678	553,259
General revenues		
Property taxes - general and local option	1,363,530	1,206,757
Property taxes - debt service	207,723	183,330
Investment earnings	70,319	56,611
Gain on sale of assets	-	25,000
Miscellaneous	22,475	58,366
Total general revenues	1,664,047	1,530,064
Total revenues	2,096,725	2,083,323
Program expenses		
Public safety	1,773,457	1,880,597
Change in net position	323,268	202,726
Net position - beginning	2,257,160	2,054,434
Net position - ending	$ 2,580,428	$ 2,257,160

DETAILED ANALYSIS

Government-Wide Financial Analysis

Governmental Activities

Significant changes in governmental activities from the prior year include:

- Current assets increased by $332,143 (20%) from the prior year. This increase is attributable to an increase in cash balances due to efforts to reduce or maintain expenses where possible and from having two unfilled full-time positions for the majority of the year.

- Restricted assets decreased by $76,064 (52%) from the prior year. Similarly, restricted net position decreased by the same amount. This decrease is attributable to the spending of grant-related monies and a normal fluctuation in debt service cash.

- Current liabilities increased by $26,531 (12%) from the prior year. This increase is attributable to the change in next year's debt payment and small amounts of accounts payable.

- Noncurrent liabilities decreased by $232,170 (15%) from the prior year. This decrease is attributable to long-term debt payments.

- The net investment in capital assets portion of net position increased by $72,214 (16%) from the prior year. This increase is attributable to depreciation of capital assets and the reduction of debt related to those assets.

- Unrestricted net position increased by $327,118 (20%) from the prior year. This increase is attributable to controlling expenses and the result of having two full-time positions unfilled for a majority of the fiscal year.

- Charges for services decreased by $118,146 (26%) from the prior year. This decrease is attributable to delays in receiving GEMT funds from the Oregon Health Authority and delays in receiving ambulance billing from federal payers due to the government shutdown.

- Property taxes levied for general purposes increased by $156,773 (13%) from the prior year. This increase is attributable to higher-than-expected property tax payments from Jefferson County and the one-time repayment of utility tax rolls that were under appeal from prior fiscal years.

- Property taxes levied for debt service increased by $24,393 (13%) from the prior year. This increase is attributable to higher-than-expected property tax payments from Jefferson County and the one-time repayment of utility tax rolls that were under appeal from prior fiscal years.

- Investment earnings increased by $13,708 (24%) from the prior year. The District moved funds held in a savings account to the Local Government Investment Pool account, which has a higher interest rate.

- Gain on sale of assets decreased by $25,000 from the prior year. The District was unsuccessful in selling a surplus asset.

- Miscellaneous revenue decreased by $35,891 (61%) from the prior year. This decrease is attributable to normal fluctuations in miscellaneous revenue.

Financial Analysis of Major Governmental Funds

As noted earlier, Crooked River Ranch Fire & Rescue 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 $2,046,044. Of this amount, $1,667,780 constitutes unassigned fund balance, which is available for spending at the District's discretion.

<u>General Fund</u>

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

- Fund balance restricted for grant programs decreased by $137,855 (58%) from the prior year. The grant funds from the OSFM were utilized as budgeted and no other grants were received that were paid upfront.

- Unassigned fund balance increased by $338,411 (25%) from the prior year. This increase is attributable to an increase in cash balances due to efforts to reduce or maintain expenses where possible and from having two unfilled full-time positions for the majority of the year.

<u>Debt Service Fund</u>

Significant changes in fund balance of the Debt Service Fund from the prior year include:

- Fund balance restricted for debt service increased by $4,048 (45%) from the prior year. This increase is attributable to higher-than-expected property tax payments from Jefferson County and the one-time repayment of utility tax rolls that were under appeal from prior fiscal years.

SIGNIFICANT CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY

<u>Capital Assets</u>

Crooked River Ranch Fire & Rescue's investment in capital assets for its governmental activities as of June 30, 2026 amounted to $2,126,013 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, and capital assets held for sale. The total decrease in capital assets during the current fiscal year was $138,450 (6%).

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

- Replacement of concrete sidewalks in front of the fire station that were damaged by frost heave.
- Replacement and upgrade of the District's public reader board sign. The old reader board was destroyed in a car crash and was replaced with a mix of funds from the insurance company of the driver and capital reserves.

Additional information on the District's capital assets can be found in Notes II-B and II-C on pages 29 through 30 of this report.

<u>Long-Term Financing</u>

At the end of the current fiscal year, Crooked River Ranch Fire & Rescue had total long-term financing liabilities of $1,591,629, composed of general obligation bonds and two loans. During the current year, long-term financing liabilities decreased by $210,664 (12%).

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

- Annual payment of the debt service against the District's general obligation bonds.
- The first payment on the new loan for the new fire engine was made.

Additional information on the District's long-term financing can be found in Note II-D on pages 30 through 32 of this report.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

Crooked River Ranch Fire & Rescue 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 5.6%, which is a significant increase from a rate of 4.7% in the previous year.
  - Property tax revenue is expected to increase by 3% in the 2026-2027 fiscal year.
  - Interest rates are expected to continue to slightly decrease throughout the 2026-2027 fiscal year.

- Healthcare and Postemployment Benefits

  - Crooked River Ranch Fire & Rescue's premiums for employee healthcare are expected to increase 10% in the 2026-2027 fiscal year. The District continues to work with its broker to find more affordable 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.

- New Revenues

  - Several new revenue sources were enacted for the 2026-2027 fiscal year, including billing for motor vehicle crashes, technical rescue calls, hazardous materials responses, and certain EMS non-transport calls.

- Collective Bargaining Agreement Negotiations

  - The newly negotiated collective bargaining agreement included a large wage adjustment based on an updated salary survey. These wage adjustments take effect July 1, 2026. The contract is for July 1, 2026 through June 30, 2028.

- Nonrecurring Grant

  - The Oregon State Fire Marshal Wildland Fire Season Staffing Grant was awarded for the 2026 fiscal year. It will cover approximately three months of gross wages for additional firefighter coverage during the summer months.

- Reduced Debt Service

  - In the 2026-2027 fiscal year, the District will make the final payment on the apparatus loan for the newest ambulance. Future fiscal years will have a reduced debt service budget of approximately $27,000.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Crooked River Ranch Fire & Rescue'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: Crooked River Ranch Fire & Rescue, 6971 SW Shad Road, Terrebonne, Oregon 97760.

BASIC FINANCIAL STATEMENTS

CROOKED RIVER RANCH FIRE & RESCUE
Jefferson County, Oregon

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

June 30, 2026

	Governmental Activities
ASSETS	
Current assets	
Cash and cash equivalents	$ 1,982,950
Restricted assets	
Cash	70,739
Noncurrent assets	
Capital assets held for sale	25,000
Capital assets not being depreciated	98,511
Capital assets being depreciated, net	2,002,502
Total noncurrent assets	2,126,013
Total assets	4,179,702
LIABILITIES	
Current liabilities	
Accounts payable	7,645
Long-term liabilities, current portion	232,170
Total current liabilities	239,815
Noncurrent liabilities	
Long-term liabilities, less current portion	1,359,459
Total liabilities	1,599,274
NET POSITION	
Net investment in capital assets	534,384
Restricted for:	
Debt service	12,996
Grant programs	57,743
Unrestricted	1,975,305
Total net position	$ 2,580,428

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

CROOKED RIVER RANCH FIRE & RESCUE
Jefferson County, Oregon

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the Year Ended June 30, 2026

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities					
Public safety	$ 1,773,457	$ 330,410	$ 102,268	$ -	$ (1,340,779)
General revenues					
Property taxes levied for general purposes					834,199
Property taxes levied for local option					529,331
Property taxes levied for debt service					207,723
Investment earnings					70,319
Miscellaneous					22,475
Total general revenues					1,664,047
Change in net position					323,268
Net position - beginning					2,257,160
Net position - ending					$ 2,580,428

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

CROOKED RIVER RANCH FIRE & RESCUE
Jefferson County, Oregon

BALANCE SHEET - MODIFIED CASH BASIS

GOVERNMENTAL FUNDS

June 30, 2026

	General Fund	Debt Service Fund	Capital Projects Fund Capital Reserve	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 1,733,168	$ 12,996	$ 307,525	$ 2,053,689
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 7,645	$ -	$ -	$ 7,645
Fund balances				
Restricted	57,743	12,996	-	70,739
Committed	-	-	307,525	307,525
Unassigned	1,667,780	-	-	1,667,780
Total fund balances	1,725,523	12,996	307,525	2,046,044
Total liabilities and fund balances	$ 1,733,168	$ 12,996	$ 307,525	$ 2,053,689

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

CROOKED RIVER RANCH FIRE & RESCUE
Jefferson County, Oregon

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

June 30, 2026

Total fund balances		$ 2,046,044
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	(1,330,000)	
Loans payable	(261,629)	(1,591,629)
Capital assets are not financial resources and are therefore not reported in the governmental funds:		
Cost	5,287,670	
Accumulated depreciation	(3,161,657)	2,126,013
Net position of governmental activities		$ 2,580,428

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

CROOKED RIVER RANCH FIRE & RESCUE
Jefferson County, Oregon

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

GOVERNMENTAL FUNDS

	General Fund	Debt Service Fund	Capital Projects Fund Capital Reserve	Total Governmental Funds
REVENUES				
Property taxes	$ 1,363,530	$ 207,723	$ -	$ 1,571,253
EMS service revenue	298,788	-	-	298,788
Investment earnings	56,799	1,414	12,106	70,319
Grant revenue	102,268	-	-	102,268
Conflagration	31,622	-	-	31,622
Miscellaneous	11,053	57	11,365	22,475
Total revenues	1,864,060	209,194	23,471	2,096,725
EXPENDITURES				
Current				
Public safety				
Personnel services	976,602	-	-	976,602
Materials and services	568,663	-	-	568,663
Debt service	60,496	205,092	-	265,588
Capital outlay	-	-	34,818	34,818
Total expenditures	1,605,761	205,092	34,818	1,845,671
Excess (deficiency) of revenues over (under) expenditures	258,299	4,102	(11,347)	251,054
OTHER FINANCING SOURCES (USES)				
Transfers in	-	2,535	2,589	5,124
Transfers out	-	(2,589)	(2,535)	(5,124)
Total other financing sources (uses)	-	(54)	54	-
Net change in fund balances	258,299	4,048	(11,293)	251,054
Fund balances - beginning	1,467,224	8,948	318,818	1,794,990
Fund balances - ending	$ 1,725,523	$ 12,996	$ 307,525	$ 2,046,044

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

CROOKED RIVER RANCH FIRE & RESCUE
Jefferson 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		$ 251,054
Amounts reported for governmental activities on the statement of activities are different because:		
Repayment of long-term debt principal is an expenditure in the governmental funds, but reduces the liability on the statement of net position.		
Debt principal paid		210,664
Governmental funds report capital outlay as expenditures; however, on the statement of activities, the costs of these assets are allocated over their estimated useful lives and are reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital asset purchases	24,701	
Depreciation expense recorded in the current year	(163,151)	(138,450)
Change in net position		$ 323,268

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

NOTES TO BASIC FINANCIAL STATEMENTS

CROOKED RIVER RANCH FIRE & RESCUE
Jefferson County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2026

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Crooked River Ranch Fire & Rescue 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

Crooked River Ranch Fire & Rescue was formed in 1978 to provide fire protection and emergency medical services. Crooked River Ranch is located primarily within Jefferson County, and a small portion of the District lies within the boundaries of Deschutes County. Property taxes are levied in both counties. The District is governed by a five-member board of directors elected from the District at large.

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 of the 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.

The District reports the following major governmental funds:

General Fund – The General Fund accounts for all financial resources of the District. The primary sources of revenue are property taxes and reimbursements. Primary expenditures are for public safety.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Debt Service Fund – The Debt Service Fund accounts for property tax revenue dedicated to repayment of long-term debt.

Capital Projects Fund

Capital Reserve Fund – The Capital Reserve Fund is used to account for receipts and disbursements set aside for future capital expenditures.

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 the 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.

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 other financing sources.

The government-wide and fund financial statements 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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Measurement Focus and Basis of Accounting (Continued)

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

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 modified 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, debt service, and capital projects funds.

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

Total personnel services, materials and services, debt service, capital outlay, contingency, 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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Budgetary Information (Continued)

Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by the board of directors. During the year, there 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 six 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.

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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3. Capital Assets (Continued)

Land and capital assets held for sale 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:

Assets	Years
Machinery and equipment	5-25
Buildings and improvements	7-30

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.

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 bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. Fund Balance Flow Assumption

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

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

7. Fund Balance Policies

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

The 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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

7. Fund Balance Policies (Continued)

The District reports fund balance in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance – amounts that are in nonspendable form (such as inventory) or are required to be maintained intact.

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

- Committed fund balance – amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., board of directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest-level action to remove or change the constraint.

- Assigned fund balance – amounts that the District intends to use for a specific purpose. Intent can be expressed by the board of directors or by an official or body to which the board of directors delegates authority.

- Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

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

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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Revenues and Expenditures/Expenses (Continued)

2. Property Taxes

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

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.

II. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. Deposits and Investments

Crooked River Ranch Fire & Rescue 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. 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 (Jefferson County Treasurer's external investment pool). The Pool is not registered with the U.S. Securities and Exchange Commission as an investment company. The Treasurer has calculated the fair value of the underlying investments of the pool and the District's share of the market value is reflected below. The portfolio's maturities are regulated by state statutes and investment policies. The investment has not been rated.

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

A. Deposits and Investments (Continued)

Fair Value Measurement

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

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

There were no transfers of assets or liabilities among the three levels of the fair value hierarchy for the year ended June 30, 2026.

Fair values of assets measured on a recurring basis at June 30, 2026 are as follows:

	Level 2
Investments	
Jefferson County Treasurer's Investment Pool	$ 1,898,922

Credit Risk

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

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

A. Deposits and Investments (Continued)

Investments

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

	Credit Quality Rating	Maturities	Fair Value
Jefferson County Treasurer's Investment Pool	Unrated	-	$ 1,898,922

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 Jefferson County Treasurer's Investment Pool.

Custodial Credit Risk – Investments

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

Custodial Credit Risk – Deposits

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

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

A. Deposits and Investments (Continued)

The District holds accounts at Chase 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's total deposits of $154,284 were fully insured by the FDIC.

Deposits

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

Checking accounts	$ 41,742
Savings account	113,025
Investments	1,898,922
Total deposits and investments	$ 2,053,689

Cash and investments by fund:

Governmental activities - unrestricted	
General Fund	$ 1,675,425
Capital Reserve Fund	307,525
Total unrestricted	1,982,950
Governmental activities - restricted	
General Fund	57,743
Debt Service Fund	12,996
Total restricted	70,739
Total cash and investments	$ 2,053,689

Restricted cash noted above is for grant expenses and payment of principal and interest on the District's long-term liabilities.

CROOKED RIVER RANCH FIRE & RESCUE
Jefferson 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	$ 98,511	$ -	$ -	$ 98,511
Capital assets being depreciated				
Buildings and improvements	3,320,161	-	-	3,320,161
Machinery and equipment	1,947,876	24,701	(128,579)	1,843,998
Total capital assets being depreciated	5,268,037	24,701	(128,579)	5,164,159
Less accumulated depreciation for				
Buildings and improvements	(2,009,191)	(100,725)	-	(2,109,916)
Machinery and equipment	(1,092,894)	(62,426)	103,579	(1,051,741)
Total accumulated depreciation	(3,102,085)	(163,151)	103,579	(3,161,657)
Total capital assets being depreciated, net	2,165,952	(138,450)	(25,000)	2,002,502
Governmental activities capital assets, net	$ 2,264,463	$ (138,450)	$ (25,000)	$ 2,101,013

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

	Capital Assets	Accumulated Depreciation	Net Capital Assets
Governmental activities			
Land	$ 98,511	$ -	$ 98,511
Buildings and improvements	3,320,161	(2,109,916)	1,210,245
Machinery and equipment	1,843,998	(1,051,741)	792,257
Total governmental activities capital assets	$ 5,262,670	$ (3,161,657)	$ 2,101,013

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

Governmental activities	
Public safety	$ 163,151

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

C. Capital Assets Held for Sale

Capital assets held for sale include a Pierce Saber engine. This asset has a historical cost of $25,000 and accumulated depreciation of $17,500.

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Assets held for sale	$ -	$ 25,000	$ -	$ 25,000

D. Long-Term Liabilities

1. Changes in Long-Term Liabilities

The following is a summary of long-term liabilities arising from cash transactions for the year ended June 30, 2026:

	Interest Rate	Original Amount	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities							
General obligation bonds, refunding series 2016	2.48%	$ 2,525,000	$ 1,500,000	$ -	$ 170,000	$ 1,330,000	$ 185,000
Ambulance loan	4.13%	159,876	50,919	-	24,945	25,974	25,974
Structural engine loan	5.2%	251,374	251,374	-	15,719	235,655	21,196
Total governmental activities		$ 2,936,250	$ 1,802,293	$ -	$ 210,664	$ 1,591,629	$ 232,170

2. Governmental Activities - Interest Expense

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

Governmental activities	
Public safety	$ 54,923

3. Governmental Activities - General Obligation Bonds

On December 15, 2016, the District issued general obligation bonds of $2,525,000 (par value) with an interest rate of 2.48% to advance refund the portion of the Series 2007 general obligation bonds maturing January 1, 2018 through January 1, 2032, with interest rates of 4.0% to 4.2% and a par value of $2,500,000. The series 2007 bonds mature on January 1, 2032 and are callable on July 1, 2017. The series 2007 bonds were issued at a discount of $10,505 and, after paying issuance costs of $75,063, the net proceeds were $2,739,495.

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

D. Long-Term Liabilities (Continued)

3. Governmental Activities - General Obligation Bonds (Continued)

The net proceeds from the issuance of the series 2016 bonds were used to purchase state and local government securities, which were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the series 2007 bonds were called on July 1, 2017. Assets of the District are pledged as collateral. The advance refunding met the requirements on an in-substance debt defeasance and the series 2007 bonds were removed from the District's government-wide financial statements. As a result of the refunding, the District reduced its total debt service requirements by $328,377, which resulted in an economic gain (difference between present value of debt service payments on the old and new debt) of $280,260.

If the District is unable to make payment, the agreement contains an event of default; the bank may increase the interest rate applicable to the bonds by three percentage points (3%) while the event of default continues.

4. Governmental Activities – Ambulance Loan

On July 18, 2019, the District signed a $159,876 financing agreement with Government Capital Corporation to acquire apparatus, which is pledged as collateral. Interest is fixed at 4.13%. Payments of principal and interest are due annually on December 26. If the District is unable to make payment, the agreement contains an event of default; the bank may take possession of the property, terminate the agreement, or pursue and exercise any remedy available at law or in equity to the extent of the law.

5. Governmental Activities – Structural Engine Loan

On August 26, 2024, the District signed a $251,374 financing agreement with Government Capital Corporation to acquire apparatus, which is pledged as collateral. Interest is fixed at 5.2%. Payments of principal and interest are due annually on December 29. If the District is unable to make payment, the agreement contains an event of default; the bank may take possession of the property, terminate the agreement, or pursue and exercise any remedy available at law or in equity to the extent of the law.

6. General Obligation Debt Capacity

The District's legal annual debt service limit (as defined by ORS 478.410) for general obligation debt as of June 30, 2026 was approximately $17,186,065. The District's legal debt service limit is 1.25% of the real market value of the property within the District.

CROOKED RIVER RANCH FIRE & RESCUE
Jefferson County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2026

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

D. Long-Term Liabilities (Continued)

7. Future Maturities of Long-Term Debt

Year Ending	GO Bonds			Ambulance Loan		Structural Engine Loan		Total	
June 30	Principal	Interest	Total	Principal	Interest	Principal	Interest	Principal	Interest
2027	$ 185,000	$ 30,690	$ 215,690	$ 25,974	$ 1,071	$ 21,196	$ 12,254	$ 232,170	$ 42,944
2028	200,000	25,916	225,916	-	-	22,298	11,152	222,298	37,068
2029	210,000	20,832	230,832	-	-	23,458	9,992	233,458	30,824
2030	230,000	15,376	245,376	-	-	24,678	8,772	254,678	24,148
2031	245,000	12,710	257,710	-	-	25,961	7,489	270,961	20,199
2032	260,000	-	260,000	-	-	118,064	15,736	378,064	15,736
	$ 1,330,000	$ 105,524	$ 1,435,524	$ 25,974	$ 1,071	$ 235,655	$ 65,395	$ 1,591,629	$ 170,919

E. Interfund Transfers

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

	Transfers in:		
	Debt Service Fund	Capital Reserve Fund	Total
Transfers out:			
Debt Service Fund	$ -	$ 2,589	$ 2,589
Capital Reserve Fund	2,535	-	2,535
Total	$ 2,535	$ 2,589	$ 5,124

The primary purpose of the interfund transfers was to reserve funds for future payments of principal and interest on long-term debt and future capital expenditures.

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

F. Constraints on Fund Balances

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

	General Fund	Debt Service Fund	Capital Reserve Fund	Total Governmental Funds
Fund balances:				
Restricted for:				
Debt service	$ -	$ 12,996	$ -	$ 12,996
Grant program	57,743	-	-	57,743
Committed to:				
Capital acquisition	-	-	307,525	307,525
Unassigned	1,667,780	-	-	1,667,780
Total fund balances	$ 1,725,523	$ 12,996	$ 307,525	$ 2,046,044

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.

III. OTHER INFORMATION (Continued)

B. Pension Plan (Continued)

2. Benefits Provided

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

Pension Benefits

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

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if they have had a contribution in each of five calendar years or have reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Pension Plan is closed to new members hired on or after August 29, 2003.

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.

III. OTHER INFORMATION (Continued)

B. Pension Plan (Continued)

2. Benefits Provided (Continued)

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

Disability Benefits

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

Benefit Changes After Retirement

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the fair value of underlying global equity investments of that account. Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living adjustments (COLA), starting with the monthly benefits received or entitled to be received on August 1. The COLA is capped at 2.0%.

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.

III. OTHER INFORMATION (Continued)

B. Pension Plan (Continued)

2. Benefits Provided (Continued)

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

Pension Benefits (Continued)

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

Death Benefits

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

Disability Benefits

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

Benefit Changes After Retirement

Under ORS 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.

III. OTHER INFORMATION (Continued)

B. Pension Plan (Continued)

2. Benefits Provided (Continued)

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

Benefit Terms (Continued)

Upon retirement, a member of the OPSRP IAP may receive the amounts in their employee account, rollover account, and vested employer-funded account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, or 20-year period or an anticipated life span option. Installment amounts vary with market returns as the account remains invested while in distribution. When chosen, the distribution option must result in a $200 minimum distribution amount, or the frequency of the installments will be adjusted to reach that minimum.

Death Benefits

Upon the death of a non-retired member, the beneficiary receives, in a lump sum, the member's account balance, rollover account balance, and vested employer optional contribution account balance.

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 $129,077, excluding amounts to fund employer-specific liabilities. The rates in effect for the fiscal year ended June 30, 2026 were 27.68% for Tier One/Tier Two general service members, 27.68% for Tier One/Tier Two police and fire members, 23.58% for OPSRP Pension Program general service members, 28.85% 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.

III. OTHER INFORMATION (Continued)

C. Length of Service Award Program

The District provides a Length of Service Award Program (LOSAP) for volunteers through a single-employer, defined contribution plan established under the provisions of Internal Revenue Code Section 457. The plan is sponsored through the Oregon Fire District Directors Association (OFDDA) and is administered by VALIC Financial Advisors. District contributions to the plan become fully vested after five years of service. Volunteers are not permitted to contribute to the plan, and District contributions are discretionary. During the year, the District contributed $10,000 to the plan, and there were no forfeitures.

D. 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.

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.

III. OTHER INFORMATION (Continued)

E. Subsequent Events

Management has evaluated subsequent events through August 26, 2026, which was the date that the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

CROOKED RIVER RANCH FIRE & RESCUE
Jefferson 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
	Original Budget	Variance with Original Budget Over (Under)	Final Budget	Variance with Final Budget Over (Under)	Budget Basis
REVENUES					
Property taxes	$ 1,292,078	$ -	$ 1,292,078	$ 71,452	$ 1,363,530
EMS service revenue	342,950	-	342,950	(44,162)	298,788
Investment earnings	20,000	-	20,000	36,799	56,799
Grant revenue	111,476	5,800	117,276	(15,008)	102,268
Conflagration	-	39,123	39,123	(7,501)	31,622
Miscellaneous	5,000	-	5,000	6,053	11,053
Total revenues	1,771,504	44,923	1,816,427	47,633	1,864,060
EXPENDITURES					
Current					
Public safety	1,816,252	41,465	1,857,717	(312,452)	1,545,265
Debt service	60,497	-	60,497	(1)	60,496
Contingency	75,000	3,458	78,458	(78,458)	-
Total expenditures	1,951,749	44,923	1,996,672	(390,911)	1,605,761
Excess (deficiency) of revenues over (under) expenditures	(180,245)	-	(180,245)	438,544	258,299
OTHER FINANCING SOURCES (USES)					
Sale of assets	50,000	-	50,000	(50,000)	-
Net change in fund balance	(130,245)	-	(130,245)	388,544	258,299
Fund balance - beginning	1,100,000	-	1,100,000	367,224	1,467,224
Fund balance - ending	$ 969,755	$ -	$ 969,755	$ 755,768	$ 1,725,523

CROOKED RIVER RANCH FIRE & RESCUE
Jefferson County, Oregon

GENERAL FUND

For the Year Ended June 30, 2026

Significant variances between the original and final budget include:

- Originally budgeted conflagration revenue was $0. The final budgeted amount was $39,123 due to a mid-year budgetary amendment approved by the board of directors. This amendment was necessary to receive and appropriate funds to pay personnel for response.

Significant variances between the final budget and actual amounts include:

- Service revenue was budgeted for $342,950. Actual revenue was $298,788 (13% under budget) due primarily to delays in receiving GEMT funds from the Oregon Health Authority and delays in receiving ambulance billing from federal payers due to the government shutdown.

- Investment earnings were budgeted for $20,000. Actual revenue was $56,799 (184% over budget). The District moved funds held in a savings account to the Local Government Investment Pool account, which has a higher interest rate.

- Grant revenue was budgeted for $117,276. Actual revenue was $102,268 (13% under budget). The government shutdown closed the FEMAGo website, preventing the District from requesting funds. The remainder of the funds will be requested during the District's closeout process.

- Conflagration revenue was budgeted for $39,123. Actual revenue was $31,622 (19% under budget) due primarily to timing of receipts.

- Miscellaneous revenue was budgeted for $5,000. Actual revenue was $11,053 (121% over budget) due primarily to an insurance payment on a claim for the District's ambulance that was paid to the District directly. The funds were used to pay for the repairs from a traffic crash.

- Expenditure for public safety were budgeted for $1,857,717. Actual expenditures were $1,545,265 (17% under budget). The District was unsuccessful at hiring for two separate positions during the year. This meant salary and benefits were not paid for such positions for a period of time.

- Sale of assets was budgeted for $50,000. Actual sale of assets was $0. The District was unsuccessful in selling a surplus asset.

- Beginning fund balance was budgeted for $1,100,000. Actual beginning fund balance was $1,467,224 (33% over budget). The District was unsuccessful at hiring for two separate positions during the year. This meant salary and benefits were not paid for such positions for a period of time.

CROOKED RIVER RANCH FIRE & RESCUE
Jefferson County, Oregon

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

DEBT SERVICE 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					
Property taxes	$ 216,375	$ -	$ 216,375	$ (8,652)	$ 207,723
Investment earnings	1,000	-	1,000	414	1,414
Miscellaneous	-	-	-	57	57
Total revenues	217,375	-	217,375	(8,181)	209,194
EXPENDITURES					
Debt service	205,092	-	205,092	-	205,092
Excess (deficiency) of revenue over (under) expenditures	12,283	-	12,283	(8,181)	4,102
OTHER FINANCING SOURCES (USES)					
Transfers in	-	2,535	2,535	-	2,535
Transfers out	-	(2,589)	(2,589)	-	(2,589)
Total other financing sources (uses)	-	(54)	(54)	-	(54)
Net change in fund balance	12,283	(54)	12,229	(8,181)	4,048
Fund balance - beginning	7,118	-	7,118	1,830	8,948
Fund balance - ending	$ 19,401	$ (54)	$ 19,347	$ (6,351)	$ 12,996

CROOKED RIVER RANCH FIRE & RESCUE
Jefferson County, Oregon

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

CAPITAL 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					
Investment earnings	$ 7,500	$ -	$ 7,500	$ 4,606	$ 12,106
Conflagration	-	11,365	11,365	-	11,365
Total revenues	7,500	11,365	18,865	4,606	23,471
EXPENDITURES					
Capital outlay	30,000	11,365	41,365	(6,547)	34,818
Excess (deficiency) of revenues over (under) expenditures	(22,500)	-	(22,500)	11,153	(11,347)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	2,589	2,589	-	2,589
Transfers out	-	(2,535)	(2,535)	-	(2,535)
Total other financing sources (uses)	-	54	54	-	54
Net change in fund balance	(22,500)	54	(22,446)	11,153	(11,293)
Fund balance - beginning	318,659	-	318,659	159	318,818
Fund balance - ending	$ 296,159	$ 54	$ 296,213	$ 11,312	$ 307,525

AUDIT COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS

INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS

Board of Directors
Crooked River Ranch Fire & Rescue
Terrebonne, Oregon 97760

We have audited the basic financial statements of Crooked River Ranch Fire & Rescue as of and for the year ended June 30, 2026 and have issued our report thereon dated August 26, 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 Crooked River Ranch Fire & Rescue's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes, as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

Indebtedness limitations, restrictions, and 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 Crooked River Ranch Fire & Rescue's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Crooked River Ranch Fire & Rescue's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Crooked River Ranch Fire & Rescue's internal control over financial reporting.

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

Accuity, LLC

Accuity, LLC
August 26, 2026