WILLIAMS RURAL FIRE PROTECTION DISTRICT

AUDIT REPORT

For the Year Ended

June 30, 2025

RWB & Co.

CERTIFIED PUBLIC ACCOUNTANTS
MEDFORD

WILLIAMS RURAL FIRE PROTECTION DISTRICT

June 30, 2025

ELECTED BOARD OF DIRECTORS

Name	Position Number	Term Expires	Address
Heather Glass Chairperson	1	06/30/27	1821 Cedar Flat Road Williams, OR 97544
Brian Barton Vice-Chair	2	06/30/27	2300 Cedar Flat Road Williams, OR 97544
David Applegate Secretary	5	06/30/27	556 Glenlyn Drive Williams, OR 97544
William Ertel Director	4	06/30/29	351 Cedar Flat Road Williams, OR 97544
Claudia Pratt Director	3	06/30/25	840 Meadow View Drive Williams, OR 97544

INTERIM FIRE CHIEF

Nicco Holt

211 East Fork
PO Box 81
Williams, OR 97544

REGISTERED AGENT

Heather Glass

211 East Fork
PO Box 81
Williams, OR 97544

REGISTERED OFFICE

Williams Rural Fire Protection District

211 East Fork
P.O. Box 81
Williams, OR 97544

WILLIAMS RURAL FIRE PROTECTION DISTRICT
For the Year Ended June 30, 2025

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FINANCIAL SECTION

WILLIAMS RURAL FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2025
Unaudited

Our discussion and analysis of Williams Rural Fire Protection District's financial performance provides an overview of the District's financial activities for the year ended June 30, 2025, within the limitations of the District's cash basis of accounting. Please read it in conjunction with the District's financial statements.

1. REPORT LAYOUT

The District's annual financial report consists of several sections. Taken together they provide a comprehensive financial look at the District. The components of the report include the following:

Management's Discussion and Analysis This section of the report provides financial highlights, overview and economic factors affecting the District. The Management's Discussion and Analysis provides users of this report with additional data that supplements the government-wide financial statements, fund financial statements, and notes to financial statements.

Basic Financial Statements includes the government-wide financial statements, fund financial statements and the notes to the financial statements. Government-wide financial statements focus on an entity-wide presentation using the cash basis of accounting. They are designed to be more corporate-like in that all activities are consolidated into a total for the District.

Government–Wide Financial Statements provide information about the activities of the District government-wide (or "as a whole"). These two statements are the Statement of Net Position and the Statement of Activities.

Fund Financial Statements focus on the individual parts of the District's specific activities or objectives. Governmental fund statements follow the more traditional presentation of financial statements and tell how services were financed in the short term as well as what remains for future spending. The two statements are the Balance Sheet and the Statement of Receipts, Disbursements, and Changes in Fund Balances.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide an expanded explanation and detail regarding the information reported in the statements.

Supplementary Information This part of the annual report includes optional financial information such as budget comparison schedules, and details of budgetary comparison schedules. This supplemental financial information is provided to address certain specific needs of various users of the District's annual report.

2. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Government-Wide Financial Statements

A condensed version of the Statement of Net Assets on June 30, 2025, and 2024, follows:

Table 1
Net Position - Cash Basis

	Governmental Activities		Total Percentage Change
	2025	**2024**	**2024-25**
Cash and investments	$ 564,177	$ 787,107	(28.32) %
Total assets	$ 564,177	$ 787,107	(28.32)
Net position			
Restricted	$ 341,138	$ 582,926	(41.48)
Unrestricted	223,039	204,181	9.24
Total net position	$ 564,177	$ 787,107	(28.32) %

The District experienced a decrease in net position this year. In the prior year grant receipts were $886,907 as compared to $35,000 for the current year grant funds.

The category disbursements were consistent with the prior year, thereby, with the change in the cash receipts and consistency of disbursements, Net Position would decrease.

2. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

A condensed version of the Statement of Activities for the years ended June 30, 2025, and 2024, follows :

Table 2
Changes in Net Position - Cash Basis

	Governmental Activities		Total Percentage Change
	2025	**2024**	**2024-25**
Receipts			
Property taxes	$ 398,898	$ 389,449	2.43 %
Earnings on investments	23,582	12,374	90.58
Donations	22,144	14,708	50.56
Grants	35,000	886,907	(96.05)
Rental income	21,018	20,292	3.58
Total receipts	500,642	1,323,730	(62.18)
Disbursements			
Program - fire suppression			
Personnel services	458,786	451,422	1.63
Materials and services	218,588	234,120	(6.63)
Capital outlay	46,198	91,036	(49.25)
Total Disbursements	723,572	776,578	(6.83)
Changes in net position	(222,930)	547,152	(140.74)
Beginning net position	787,107	239,955	228.02
Ending net position	$ 564,177	$ 787,107	(28.32) %

In the current year, the District received $35,000 in Oregon State Fire Marshall Wildland Fire grant receipts to be used in the next fiscal year, whereas the prior year grant receipts were $886,907. There was a balance of $582,926 of these grant funds to be used in the current year and thereafter. At year end, the restricted amount for these grants was $341,138.

Disbursements, in the current year, were approximately $725,000, compared to prior year disbursements of $776,000. The category disbursements were consistent with the prior year.

3. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The total changes in fund balance for the years ended June 30, 2025, and 2024, follows:

Table 3
Changes in Fund Balance

	Governmental Activities		Change
	2025	**2024**	**2024-25**
Fund Balances			
General Fund	$ 564,177	$ 787,107	$ (222,930)

The General Fund's decrease in fund balance is reflected in the change in current year receipts with the change in disbursements over the prior year.

4. BUDGETARY HIGHLIGHTS

The District's budget's original amounts were unchanged in the fiscal year.

Table 4
Budgetary Changes

	General Fund		
	Original	**Final**	**Change**
Personnel services	$ 665,000	$ 665,000	$ -
Materials and services	293,000	313,000	20,000
Capital outlay	125,000	125,000	-
Contingency	83,900	63,900	(20,000)
Total disbursements	$ 1,166,900	$ 1,166,900	$ -

4. BUDGETARY HIGHLIGHTS (Continued)

A condensed version of the General Fund Budgetary Comparison Schedule for the year ended June 30, 2025, follows:

Table 5
Budget Versus Actual

	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
General Fund			
Receipts	$ 528,300	$ 500,642	$ (27,658)
Disbursements			
Personnel services	665,000	458,786	206,214
Material and services	313,000	218,588	94,412
Capital outlay	125,000	46,198	78,802
Total disbursements	1,103,000	723,572	379,428
Other financing sources (uses)			
Contingency	(63,900)	-	63,900
Total other financing sources (uses)	(63,900)	-	63,900
Change in Fund Balance	$ (638,600)	$ (222,930)	$ 415,670

Differences in the budget versus actual reflect the receipt of less than budgeted receipts based on property tax collections, grant dollars, and changes in the originally budgeted disbursements related to the grant disbursement/requirements for the year.

5. CAPITAL ASSETS

The District uses the cash basis of accounting and therefore does not record capital assets or depreciation on its government-wide financial statements.

6. LONG-TERM DEBT

The District uses the cash basis of accounting and therefore does not record long-term debt on the Statement of Net Position.

7. ECONOMIC FACTORS

The District anticipates a slight increase in taxes received in the General Fund this coming year due to the improving economy. The District's voters approved the renewal of the Local Option Tax for Operations, starting in the 2022-23 fiscal year. This levy will be for $0.65/$1,000 of assessed value on all taxable property within the District for operating purposes.

In the 2023-24 fiscal year, the District did receive notification of a grant award from the Oregon Office of State Fire Marshal's 2023 Oregon Fire Service Capacity Program Grant in the amount of $537,955. This grant will be used to fund personnel over a three-year grant period. The remaining funds for this grant to be carried over to 2025-26 is approximately $251,000.

In the 2023-24 fiscal year, the District also received notification of a grant award from the Oregon Office of State Fire Marshal's Community Wildfire Risk Reduction Program for $197,000. This grant is being used for community education and methods of prevention with respect to wildfires, enforcement of defensible space, and response planning and community preparedness for wildfires. The remaining funds for this grant to be carried over to 2025-26 is approximately $55,000.

8. FINANCIAL CONTACT

The District's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need additional information, please contact the District at Williams Rural Fire Protection District, 211 East Fork Road, P. O. Box 81, Williams, OR 97544.

INDEPENDENT AUDITOR'S REPORT

RWB & Co.
CERTIFIED PUBLIC ACCOUNTANTS
670 SUPERIOR COURT, #106
MEDFORD, OREGON 97504
(541) 773-1885
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Williams Rural Fire Protection District
Williams, OR 97544

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities and the major fund of Williams Rural Fire Protection District, as of June 30, 2025, and the respective changes in cash basis financial position for the year then ended in accordance with the cash basis of accounting as described in Note 1.

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 Williams Rural Fire Protection District 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 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the 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.

Responsibilities of Management's for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting as described in Note 1 and for determining that the 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 misstatement, whether due to fraud or error.

In preparing the cash basis financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Williams Rural Fire Protection District's ability to continue as a going concern for twelve months beyond the financial statements 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 opinion. 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 Williams Rural Fire Protection District'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 Williams Rural Fire Protection District'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.

Other Information

Our audit was conducted for the purpose of forming opinions on the cash basis financial statements that collectively comprise Williams Rural Fire Protection District's basic financial statements. The Management's Discussion and Analysis (MD&A) and supplementary information, as listed in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The supplementary 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. 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 our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Reports on Other Legal and Regulatory Requirements

Other Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated October 1, 2025, on our consideration of Williams Rural Fire Protection District's internal control over financial reporting and on our tests of its compliance with the provisions of Oregon Revised Statures as specified in Oregon Administrative Rules OAR 162-10-240 to 162-10-320. The purpose of that report is to describe our evaluation of internal control over financial reporting and the scope of our testing of compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance.

Richard W. Brewster
Certified Public Accountants
Medford, Oregon

October 1, 2025

BASIC FINANCIAL STATEMENTS

WILLIAMS RURAL FIRE PROTECTION DISTRICT
Statement of Net Position—Cash Basis and
Governmental Fund Balance Sheet—Cash Basis
June 30, 2025

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash and cash equivalents	$ 564,177	$ -	$ 564,177
Total assets	$ 564,177	-	564,177
FUND BALANCES/NET POSITION			
Fund balances			
Restricted - grants	$ 341,138	(341,138)	-
Unasssigned	223,039	(223,039)	-
Total fund balances	$ 564,177	(564,177)	-
Net position			
Restricted		341,138	341,138
Unrestricted		223,039	223,039
Total net position		$ -	$ 564,177

See notes to basic financial statements

WILLIAMS RURAL FIRE PROTECTION DISTRICT
Statement of Activities—Cash Basis and
Governmental Funds Receipts, Disbursements, and
Changes in Fund Balance—Cash Basis
For the Year Ended June 30, 2025

	General Fund	Adjustments	Statement of Activities
RECEIPTS			
Property taxes			
Current year	$ 389,990	$ -	$ 389,990
Prior years	8,908	-	8,908
Earnings on investments	23,582	-	23,582
Donations	22,144	-	22,144
Grants	35,000	-	35,000
Rental income	21,018	-	21,018
Total receipts	500,642	-	500,642
DISBURSEMENTS			
Fire suppression			
Current			
Personnel services	458,786	-	458,786
Materials and services	218,588	-	218,588
Capital outlay	46,198	-	46,198
Total disbursements	723,572	-	723,572
Excess of receipts over disbursements	(222,930)		
Net changes in fund balances--cash basis	(222,930)	222,930	-
Change in net position--cash basis		(222,930)	(222,930)
FUND BALANCE--CASH BASIS/ NET POSITION--CASH BASIS			
Beginning of the Year	787,107	-	787,107
End of the year	$ 564,177	$ -	$ 564,177

See notes to basic financial statements

NOTES TO THE BASIC FINANCIAL STATEMENTS

WILLIAMS RURAL FIRE PROTECTION DISTRICT
Notes to Financial Statements
June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Measurement Focus and Basis of Accounting, these financial statements are presented on a cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) established by the Governmental Accounting Standards Board (GASB). These cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the cash basis of accounting.

REPORTING ENTITY

Williams Rural Fire Protection District is a municipal corporation governed by five elected directors as provided by Oregon statute. The District was officially formed May 15, 1968, as a result of a special election ordered by the Josephine County Court. Prior to 1968, fire protection services had been provided through subscriptions.

BASIS OF PRESENTATION – GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole within the limitations of the cash basis of accounting. These statements include the cash activities of the District with interfund activities removed to minimize the double counting of internal activities. The District's fire protection and general administrative services are classified as governmental activities. They include all funds of the District. The District activities generally are financed through property tax revenues and grants.

BASIS OF PRESENTATION - FUND FINANCIAL STATEMENTS

Fund financial statements of the District are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, deferred outflows, liabilities, deferred inflows, fund balance, revenues, and expenditures or expenses. An emphasis is placed on major funds within the governmental categories. A fund is considered major if it is the primary operating fund of the District, or total assets, liabilities, receipts, or disbursements of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type, or the District chooses it to be a major fund.

The District has one governmental fund on a budgetary basis, the General Fund.

The following fund type is used by the District:

Governmental Funds
The focus of the government funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental fund of the District:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

General Fund

This fund accounts for and reports all financial resources not accounted for and reported in another fund. The principal sources of receipts are property taxes, grants and earnings on investments. Major disbursements are for personnel services, materials and services, and capital outlay.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement Focus

Measurement focus is a term used to describe what transactions or events are recorded within the various financial statements. Basis of accounting refers to when and how transactions or events are recorded, regardless of the measurement focus applied.

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the economic resources measurement focus, within the limitations of the cash basis of accounting. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), net financial position, and cash flows. All assets, deferred outflows, liabilities, and deferred inflows (whether current or noncurrent or financial or nonfinancial) associated with their activities are generally reported with the limitations of the cash basis of accounting.

In the fund financial statements, the current financial resources measurement focus is applied to the cash basis of accounting. All governmental funds utilize a current financial resources measurement focus within the limitations of the cash basis of accounting. Only current financial assets and liabilities are generally included on the balance sheet. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

The financial statements are presented on a cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. This basis of accounting involves the reporting of only cash and cash equivalents and the changes therein resulting from cash inflows (cash receipts) and cash outflows (cash disbursements) reported in the period in which they occurred.

This cash basis of accounting differs from GAAP primarily because revenues (cash receipts) are recognized when received in cash rather than when earned and susceptible to accrual, and expenditures or expenses (cash disbursements) are recognized when paid rather than when incurred or subject to accrual.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

If the District utilized the basis of accounting recognized as generally accepted in the United States of America, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

The District's cash basis policy, although not in accordance with accounting principles generally accepted in the United States of America, is acceptable under Oregon Law (ORS 294.333), which leaves the selection of the method of accounting to the discretion of the municipal corporation.

ASSETS, LIABILITIES, AND NET POSITION/FUND BALANCE

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, short-term highly liquid investments with a maturity of three months or less when purchased. Investments maintained in the Oregon Local Government Investment Pool are carried at cost, which approximates fair value, and are classified as a cash equivalent.

Investments

The District invests in the Oregon Local Government Investment Pool and considers this investment as a cash equivalent. See the cash and cash equivalents note above.

Capital Assets

On the cash basis of accounting, capital assets for governmental funds are not recorded in the government-wide financial statements or fund financial statements.

Capital Outlay

Capital Outlay disbursements are defined by the District as assets with an initial, individual cost of $2,000 or more, and an estimated useful life of more than one year.

Net Position Flow Assumption

Assets whose use is restricted for construction, debt service or by other agreement are segregated on the Government-wide Statement of Net Assets. It is the District's policy to first use restricted net resources prior to use of unrestricted net resources when an expense is incurred for purposes for which both restricted and unrestricted net resources are available.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Unassigned fund balance is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts can be spent as directed by the budget as adopted by the Board of Directors.

Fund Balance

The Governmental Accounting Standards Board (GASB) issued Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions," which became effective for the District beginning with the fiscal year ending June 30, 2011. The statement established five classifications for fund equity; nonspendable, restricted, committed, assigned, and unassigned. The District uses the following fund balance classifications:

Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example grant providers), constitutionally, or through enabling legislation.

Committed fund balance 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. Commitments may be changed or lifted only by the District taking the same formal action that imposed the constraint originally.

Unassigned fund balance is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts can be spent as directed by the budget as adopted by the Board of Directors.

The District currently uses the GASB default policy guiding the order in which amounts from various fund balance classifications are spent. The policy established requires restricted amounts to be used first, followed by committed, assigned, and unassigned amounts in that order, for purposes of reporting fund balance.

Interfund Transactions

Interfund activity is reported as transfers. If applicable, transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide Statements

Fund balance is classified as Net Position, which represents the difference between assets, liabilities and deferred accounts. Net Position is displayed in three components:

Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets. Because the District is on the cash-basis of accounting, this category is not used.

Restricted Net Position – Consists of Net Position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position – Consists of all other Net Position elements that do not meet the definition of "restricted" or "net investment in capital assets."

Use of Estimates

The preparation of these general-purpose financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

Property taxes

Ad valorem property taxes are levied on all taxable property as of July 1. Property taxes become a lien on July 1 for personal and real property. Collection dates are November 15, February 15, and May 15. Discounts are allowed if the amount is received by November 15. Taxes unpaid and outstanding on May 16 are considered delinquent. Uncollected property taxes are not recorded on the Statement of Net Position under the cash-basis of accounting.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

BUDGET

See Notes to Budgetary Comparison Schedules in Supplementary Information.

DEFICIT FUND EQUITY

The District did not have a deficit of fund balance in its General Fund as of June 30, 2025.

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

POOLED DEPOSITS AND INVESTMENTS

Cash, cash equivalents, and investments were comprised of the following on June 30, 2025:

	General Fund
Cash in bank	$ 50,275
Cash in State Pool	513,902
Total cash and cash equivalents	$ 564,177

Deposits. The Governmental Accounting Standards Board has adopted accounting principles generally accepted in the United States of America (GAAP), which include standards to categorize deposits to give an indication of the level of custodial credit risk assumed by the District at June 30, 2025. If the bank deposits at year-end are not entirely insured or collateralized with securities held by the District or by its agent in the District's name, the District must disclose the custodial credit risk that exists. Deposits with financial institutions are comprised of bank demand deposits.

For deposits in excess of federal depository insurance, Oregon Revised Statutes require the depository institution to participate in the Public Funds Collateralization Program. The Public Funds Collateralization Program is a multiple financial institution collateral pool administered by the Oregon State Treasurer's Office. For the year ended June 30, 2025, the carrying amount of the District deposit was $50,275 and the bank balance was $54,610. Of the bank balance, $250,000 was covered by FDIC insurance. For a period of 4 months during the fiscal year, the District exceeded the FDIC limits of $250,000 in bank balances. The remainder of the funds was considered uncollateralized; however, these funds were deposited in an approved depository as identified by the State's Treasurer.

The Oregon State Treasurer is responsible for monitoring public funds held by bank depositories in excess of FDIC insured amounts, and for assuring that public funds on deposit are collateralized to the extent required by Oregon Revised Statutes (ORS) 295. ORS Chapter 295 requires depository banks to place and maintain on deposit with a third-party custodian bank, securities that have a value of 10 percent, 25 percent, or 110 percent of public funds on deposit depending primarily on the capitalization level of the depository bank. Deposits in the Public Funds Collateralization Pool are not 100% guaranteed.

Custodial Credit Risk

The District follows the Oregon statutes for custodial credit risk.

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

Investments

The investment policy is to follow state statutes governing cash management. Statutes authorize investing in banker's acceptances, time certificates of deposit, repurchase agreements, obligations of the United States and its agencies and instrumentalities, and the Oregon State Treasurer's Local Government Investment Pool.

The District has invested funds in the State Treasurer's Oregon Short-term Fund Local Government Investment Pool. The Oregon Short-term Fund is the local government investment pool for local governments and was established by Oregon's State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short-term Fund Board and approved by the Oregon Investment Council. Local Government Invest Pool is an external investment pool managed by the State Treasurer's office. The amounts invested in the Pool are not classified by risk categories because they are not evidenced by securities that exist in physical or book entry form as defined by GASB Statement No. 40. LGIP is unrated.

LGIP distributes investment income on an amortized cost basis and participant's equity in the Pool is determined by the amount of the participant's deposits, adjusted for withdrawals and distributed income. Accordingly, the adjustment to fair value would not represent an expendable increase in the District's cash position.

Investments in the Oregon State Treasury LGIP are made under the provision of ORS 194.180. These funds are held in the District's name and are not subject to collateralization requirements of ORS 295.015. Investments in LGIP are stated at amortized cost, which approximates fair value.

Credit Risk

Oregon Revised Statutes authorize the District to invest primarily in general obligations of the United States government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, banker's acceptances, certain commercial paper and the State Treasurer's Investment Pool, among others. The District has no formal investment policy that further restricts its investment choices.

Concentration of Credit Risk

The District is required to provide information about the concentration of credit risk associated with its investments in one issuer that represents 5 percent or more of the total investments, excluding investments in external investment pools or those issued and explicitly guaranteed by the United States government. The District has no such investments.

Interest Rate Risk

The District has no formal investment policy that explicitly limits investments maturities as a means of managing its exposure to fair value loss arising from increasing interest rates.

4. OTHER INFORMATION

LONG TERM DEBT

The District has no outstanding long-term debt as of fiscal year ended June 30, 2025.

RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft or damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters for which the District carries commercial insurance.

During the current year, there were no significant reductions in insurance coverage from the prior year in any major category of coverage. In addition, insurance settlements have not exceeded insurance coverage during any of the past three fiscal years.

COMMITMENTS

In November 2021, the District patrons approved to renew the five-year local option tax of $0.65 per $1,000 of assessed value. This levy began in the 2022-23 fiscal year. This levy will help fund the operations at the current level, improve facilities, upgrade wildland structural and EMS capabilities and to continue current District staffing. The 2026-27 fiscal year will be the final year for this levy.

In June 2025, the District renewed its contract with the Josephine County 9-1-1 Agency for 9-1-1 dispatch service. The contract is for one year beginning July 1, 2025, and requires payments of $340 per month on or prior to the first day of each month.

PROPERTY TAX LIMITATION

The State of Oregon has a constitutional limit on property taxes for governmental operations. Under the limitation, tax revenue is separated into those for public schools and those for local governments other than public schools. The limitation specifies a maximum rate for all local government operations of $10.00 per $1,000 of real market value, while schools are similarly limited to a $5.00 maximum rate. Local government taxes in the District currently do not exceed the $10.00 rate limit; however, this limitation may affect the availability of future tax revenues for the District.

In May 1997, voters approved Measure 50 which rolled back assessed value to 90% of 1995-96 and limits future increases of taxable assessed values to 3% per year, except for major improvements. Tax rates are now fixed and not subject to change. Voters may approve local initiatives above the fixed rate.

SUPPORT GROUP

The District has a support group that raises money and purchases equipment for the District. The equipment is then donated to the District. The activities of the support group are not recorded in the records of the District.

4. OTHER INFORMATION (Continued)

OTHER POSTEMPLOYMENT BENEFITS

The District is not aware of any postemployment benefit liabilities at June 30, 2025, and the District does not participate in PERS.

GRANTS AND DONATIONS

The District received various grants in prior years that were carried over to the current fiscal year. At fiscal year end, there was $341,138 in unspent funds. The following is a recap of those funds.

The District received a $35,000 grant from Oregon Office of State Fire Marshal for staffing for the 2025-26 fiscal year.

On May 4, 2023, the District received Notice from the Oregon Office of State Fire Marshal's Oregon Fire Service Capacity Program Grant in the amount of $537,955 to be used for staffing over a three-year period. The District has a balance of $251,206 at year end.

The District also received notification of a grant award from the Oregon Office of State Fire Marshal's Community Wildfire Risk Reduction Program for $197,500. This grant is to be used for community education and methods of prevention with respect to wildfires, enforcement of defensible space, and response planning and community preparedness for wildfires. At year end, the balance of this grant was $54,932.

SUBSEQUENT EVENTS

The District has evaluated subsequent events through October 1, 2025. October 1, 2025, is the same date as the independent auditor's report.

SUPPLEMENTARY INFORMATION

WILLIAMS RURAL FIRE PROTECTION DISTRICT
Notes to Budgetary Comparison Schedules
June 30, 2025

Annual budgets for all funds are adopted on a basis consistent with Oregon Revised Statutes (ORS 294 – Local Budget Law). The process under which the budget is adopted is described in the following paragraphs.

Each March, the budget officer (appointed by the Board of Directors) submits a proposed budget to the Budget Committee (consisting of the Board of Directors and an equal number of citizens of the District). The District is required to budget all funds. The District's budget is prepared for each fund on the cash basis of accounting. For all fund types, inter-fund loans are budgeted as sources and used in accordance with state budget laws. Estimated receipts and disbursements are budgeted for by fund and object. Information on the past two years' actual receipts, disbursements and current-year estimates are included in the budget document.

The Budget Committee conducts public hearings for the purpose of obtaining citizens' comments, and then approves a budget and submits it to the District's Board of Directors for final adoption. The approved disbursements for each fund may not be increased by more than 10% by the Board without returning to the Budget Committee for a second approval.

The Board legally adopts the budget by resolution before July 1. The resolution establishes appropriations for each fund and disbursements cannot legally exceed these appropriations. The level of control established by the resolution for each fund is at the object group level (i.e. personnel services, materials and services, capital outlay, debt service, interfund transfers, and contingency). Appropriations lapse at the end of the fiscal year.

The District may change the budget throughout the year by transferring appropriations between levels of control and by adopting supplemental budgets as authorized by Oregon Revised Statues. Unexpected additional resources may be added to the budget through the use of a supplemental budget. A supplemental budget requires hearings before the public, publication in newspapers and approval by the District Board. Disbursement appropriations may not be legally over-expended except in the case of grant receipts that could not be reasonably estimated at the time the budget was adopted and for debt service on new debt issues during the budget year. Management may transfer budget amounts between individual line items within the object group, but cannot make changes to the object groups themselves, which is the legal level of control.

WILLIAMS RURAL FIRE PROTECTION DISTRICT
General Fund
Budgetary Comparison Schedule – Cash Basis
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance With Final Budget Favorable
	Original	Final	Amounts	(Unfavorable)
RECEIPTS				
Property taxes				
Current year's levy	$ 394,800	$ 394,800	$ 389,990	$ (4,810)
Prior year's levy	1,500	1,500	8,908	7,408
Total property taxes	396,300	396,300	398,898	2,598
Other receipts				
Earnings on investments	10,000	10,000	23,582	13,582
Donations	-	-	22,144	22,144
Grants	100,000	100,000	35,000	(65,000)
Rental income	22,000	22,000	21,018	(982)
Total other receipts	132,000	132,000	101,744	(30,256)
Total receipts	528,300	528,300	500,642	(27,658)
DISBURSEMENTS				
Fire suppression				
Current				
Personnel services	665,000	665,000	458,786	206,214
Materials and services	293,000	313,000	218,588	94,412
Capital outlay	125,000	125,000	46,198	78,802
Total disbursements	1,083,000	1,103,000	723,572	379,428
Excess of receipts over disbursements	(554,700)	(574,700)	(222,930)	351,770
OTHER FINANCING SOURCES (USES)				
Contingency	(83,900)	(63,900)	-	63,900
Total other financing sources (uses)	(83,900)	(63,900)	-	63,900
Net changes in fund balance-cash basis	(638,600)	(638,600)	(222,930)	415,670
FUND BALANCE--CASH BASIS				
Beginning of the year	778,600	778,600	787,107	8,507
End of the year	$ 140,000	$ 140,000	$ 564,177	$ 424,177

WILLIAMS RURAL FIRE PROTECTION DISTRICT
General Fund
Detail to Budgetary Comparison Schedule – Cash Basis
For the Year Ended June 30, 2025

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance With Final Budget Favorable (Unfavorable)
PERSONNEL SERVICES				
Fire chief	$ 80,000	$ 80,000	$ 33,990	$ 46,010
Operations officer	47,000	47,000	46,225	775
Administrative/HR assistant	45,000	45,000	14,500	30,500
OSFM fire prevention fire marshall	40,000	40,000	38,680	1,320
OSFM fire prevention fire fighter	40,000	40,000	39,545	455
OSFM upstaffing	31,500	31,500	38,902	(7,402)
Training officer	53,000	53,000	33,990	19,010
OSFM grant Administrator	18,500	18,500	7,600	10,900
Community relations	18,000	18,000	-	18,000
Duty officer stipend	26,000	26,000	26,150	(150)
Chipper grant personnel	36,000	36,000	35,883	117
Volunteer compensation	12,000	12,000	11,501	499
Seasonal compensation	18,000	18,000	5,783	12,217
Conflagration	15,000	15,000	10,953	4,047
Workers compensation	21,000	21,000	7,163	13,837
Insurance	85,000	85,000	63,844	21,156
Bonus pay	10,000	10,000	9,689	311
Payroll taxes	65,000	65,000	33,868	31,132
Accidental D & D	4,000	4,000	520	3,480
Total personnel services	665,000	665,000	458,786	206,214
MATERIALS AND SERVICES				
Apparatus maintenance	30,000	30,000	21,807	8,193
Building maintenance	8,000	8,000	10,633	(2,633)
Advertising	-	-	5,746	(5,746)
Communications	10,000	10,000	7,941	2,059
Dues and fees	6,000	6,000	6,918	(918)
Elections	2,000	2,000	-	2,000
EMS supplies	3,000	3,000	2,166	834
Fire equipment	45,000	45,000	27,576	17,424
Fire prevention	16,000	16,000	-	16,000
Fuel	20,000	20,000	16,689	3,311
Insurance	25,000	25,000	29,729	(4,729)
Legal and accounting	17,000	17,000	14,750	2,250
Consulting fees	4,000	24,000	24,852	(852)
Office supplies	6,000	6,000	2,034	3,966
Personnel protective equipment	24,000	24,000	8,323	15,677
Training	38,000	38,000	6,174	31,826
Travel	2,000	2,000	1,988	12
Utilities	18,000	18,000	17,787	213
Uniforms	2,000	2,000	5,144	(3,144)
Miscellaneous	10,000	10,000	5,892	4,108
Small equipment maintenance	7,000	7,000	2,439	4,561
Total materials and services	$ 293,000	$ 313,000	$ 218,588	$ 94,412

WILLIAMS RURAL FIRE PROTECTION DISTRICT
General Fund
Detail to Budgetary Comparison Schedule – Cash Basis (Continued)
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance With Final Budget Favorable
	Original	Final	Amounts	(Unfavorable)
CAPITAL OUTLAY				
Apparatus	$ 75,000	$ 75,000	$ -	$ 75,000
Building construction/improvements	30,000	30,000	44,099	(14,099)
Other capital outlay	20,000	20,000	2,099	17,901
Total capital outlay	125,000	125,000	46,198	78,802
Total disbursements	$1,083,000	$1,103,000	$ 723,572	$ 379,428

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

RWB & Co.
CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report
Required by Oregon State Regulations

Board of Directors
Williams Rural Fire Protection District
P.O. Box 81
211 East Fork
Williams, OR 97544

We have audited the basic financial statements of the Williams Rural Fire Protection District as of and for the year ended June 30, 2025 , and have issued our report thereon October 1, 2025. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the Williams Rural Fire Protection District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 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 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 Williams 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 Audits of Oregon Municipal Corporations, except as follows:

These are the items of note:

The 2025-26 Budget process does not appear to be in compliance, in some respects, with Local Budget Law.

Per the minutes of the Budget Committee Meeting held April 23, 2025, there is no mention of opening the meeting to the public which is required under Local Budget Law.

Also, per these same minutes, it does not appear that the Budget Committee approved the tax rates as presented in the budget document.

Per the Budget Hearing Meeting dated May 13, 2025, the minutes do not state the meeting was open to the public. This is a requirement under Local Budget Law. These same minutes state that this meeting was for the 2024-25 budget.

OAR 162-10-0230 Internal Control

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

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

Richard W. Brewster
Certified Public Accountants

October 1, 2025