

***MARION AREA MULTI-  
AGENCY EMERGENCY  
TELECOMMUNICATIONS CENTER  
ANNUAL FINANCIAL REPORT  
Year Ended June 30, 2021***

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Mark Daniel, Vice Chair  
Ed Grambusch, 2<sup>nd</sup> Vice Chair

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Bill Miles, Silverton Fire District  
Fred Patterson, Drakes Crossing Fire District  
Dan Mullen, City of St. Paul  
Rick Schmitz, Aumsville Police  
Bill Miles, City of Scotts Mills

The above individuals may be contacted at the address below

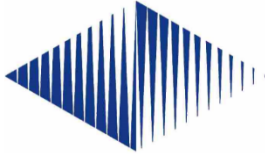
***EXECUTIVE DIRECTOR AND REGISTERED AGENT***

Mark Spross  
1060 Mt. Hood Avenue, Woodburn, Oregon 97071

**MARION AREA MULTI-AGENCY EMERGENCY TELECOMMUNICATIONS CENTER**  
**TABLE OF CONTENTS**

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	<u><i>Page</i></u>
<i>FINANCIAL SECTION</i>	
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-6
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position/Balance Sheet (Modified Cash Basis)	7
Statement of Activities/Revenues, Expenditures, and Changes in Net Position/ Fund Balance (Modified Cash Basis)	8
Notes to Basic Financial Statements	9-19
Supplemental Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance (Budgetary Basis) – Budget and Actual General Fund	20
<i>COMPLIANCE SECTION</i>	
Independent Auditor's Report Required by Oregon State Regulations	21-22



## GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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### ***INDEPENDENT AUDITOR'S REPORT***

Board of Directors  
Marion Area Multi-Agency Emergency Telecommunications Center  
1060 Mt. Hood Avenue  
Woodburn, Oregon 97071

#### ***Report on the Financial Statements***

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of Marion Area Multi-Agency Emergency Telecommunications Center (METCOM), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise METCOM's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in the notes to the financial statements. This includes 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 misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***Opinions***

In our opinion, the modified cash basis 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 METCOM as of June 30, 2021, and the respective changes in modified cash basis financial position thereof, for the year then ended, in accordance with the basis of accounting described in the summary of significant accounting policies in the notes to the financial statements.

## ***Basis of Accounting***

We draw attention to the notes to the financial statements which describe the basis of accounting. The financial statements are prepared 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.

## ***Other Matters***

### ***Supplemental and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise METCOM's basic financial statements. The supplemental information and management's discussion and analysis are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The supplemental information as listed in the table of contents 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole on the basis of accounting described in notes to the financial statements.

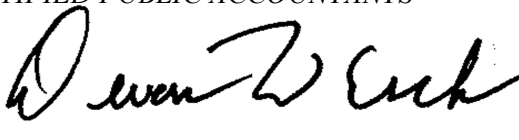
Management's discussion and analysis has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on such information.

## ***Report 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 issued our report dated December 21, 2021 on our consideration of METCOM's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as 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.

GROVE, MUELLER & SWANK, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

By: 

Devan W. Esch, A Shareholder  
December 21, 2021

**MARION AREA MULTI-AGENCY EMERGENCY TELECOMMUNICATIONS CENTER  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

As management of the Marion Area Multi-Agency Emergency Telecommunications Center, we offer readers of the financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2021.

**FINANCIAL HIGHLIGHTS**

	June 30,		change
	2021	2020	
Net position/Fund balance	\$ 735,661	\$ 545,676	\$ 189,985
Change in net position/Fund balance	189,985	193,502	(3,517)

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to METCOM’s basic financial statements. METCOM’s basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplemental information in addition to the basic financial statements themselves.

**Government-wide financial statements** The *government-wide financial statements* are designed to provide readers with a broad overview of METCOM’s finances, in a manner similar to a private-sector business. These statements include:

The *Statement of Net Position (Modified Cash Basis)*. The *statement of net position* presents information on all of the assets and liabilities of METCOM as of the date on the statement. Net position is what remains after the liabilities have been paid off or otherwise satisfied. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of METCOM is improving or deteriorating.

The *Statement of Activities (Modified Cash Basis)*. The *statement of activities* presents information showing how the net position of METCOM changed over the most recent fiscal year by tracking revenues, expenses and other transactions that increase or reduce net position.

In the government-wide financial statements, all basic functions are shown, such as dispatch and call answering services for police, fire, and emergency medical services and all other services delivered to the public. These activities are primarily financed through user fees and other intergovernmental revenues.

**Fund financial statements** The *fund financial statements* provide more detailed information about METCOM’s funds. The focus is on its most significant or “major” funds, not METCOM as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. METCOM, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. METCOM’s fund is in the governmental fund category.

The *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 compliance with finance-related legal requirements, as well as on balances of spendable resources available by fund at the end of the fiscal year. Such information may be useful in evaluating METCOM's near-term financing requirements.

**Notes to the financial statements** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information** In addition to the basic financial statements and accompanying notes, this report also presents certain *supplemental information*, which includes schedules of revenues, expenditures and changes in fund balance-budget and actual.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Statement of Net Position (Modified Cash Basis)** This statement is provided below on a comparative basis.

As noted earlier, net position may serve over time as a useful indicator of METCOM's financial position. Assets exceeded liabilities by \$735,661 at June 30, 2021.

Net position - unrestricted are available for general operations of METCOM.

**Statements of Net Position (Modified Cash Basis)  
June 30,**

	2021	2020
<i>Assets</i>		
Cash and cash equivalents	\$ 743,245	\$ 550,026
<i>Liabilities</i>		
Payroll liabilities	7,584	4,350
<i>Net position</i>		
Total Net Position	\$ 735,661	\$ 545,676

**Statements of Activities (Modified Cash Basis)**  
**Year Ended June 30,**

	2021	2020
Revenues		
Program Revenues		
Charges for services	\$ 2,540,741	\$ 2,465,417
Intergovernmental	734,949	525,197
Miscellaneous	23,032	27,734
<i>Total Revenues</i>	3,298,722	3,018,348
Expenses		
Personnel services	2,630,868	2,392,153
Materials and services	391,791	370,186
Capital outlay	38,857	15,286
Debt service	47,221	47,221
<i>Total Expenses</i>	3,108,737	2,824,846
Change in net position	189,985	193,502
Net position, beginning of year	545,676	352,174
Net position, end of year	\$ 735,661	\$ 545,676

**Financial Analysis of METCOM's Funds**

As noted earlier, METCOM uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental fund:** The focus of METCOM's governmental fund is to provide information on relatively short-term cash flow and funding for future basic services. Such information is useful in assessing METCOM's financing requirements. In particular, *fund balance* may serve as a useful measure of METCOM's net resources available for spending at the end of a fiscal year.

METCOM's governmental fund reported an ending fund balance of \$735,661 at June 30, 2021.

*General Fund.* The General Fund is METCOM's only fund. The fund balance was \$735,661 as of June 30, 2021. Revenues exceeded expenditures by \$189,985 during the year. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. At June 30, 2021 the General Fund balance was 23.66 percent of fund expenditures.

There were no changes to the General Fund budget during the year.



## CAPITAL ASSETS AND DEBT ADMINISTRATION

METCOM does not maintain historical cost and depreciation records for capital assets.

METCOM had total long-term debt outstanding of \$45,574 at the end of the current fiscal year. During the current fiscal year, debt decreased by \$43,986 due to debt payments.

	<b>Outstanding Debt</b>	
	<b>June 30,</b>	
	<b>2021</b>	<b>2020</b>
Equipment lease	\$ 45,574	\$ 89,560

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

METCOM's Budget Committee considered all the following factors while preparing the budget for the 2021-22 fiscal year.

- Increase in PERS contribution
- Increase in health insurance
- Continual evaluation of staffing requirements
- Generator replacement in backup center
- Property insurance increase due to re-evaluation of property owned

## REQUESTS FOR INFORMATION

This financial report is designed to present the user (citizens, taxpayers, investors, and creditors) with a general overview of METCOM's finances and to demonstrate METCOM's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Marion Area Multi-Agency Emergency Telecommunications, 1060 Mt. Hood Avenue, Woodburn, Oregon 97071.

***BASIC FINANCIAL STATEMENTS***

**MARION AREA MULTI-AGENCY EMERGENCY TELECOMMUNICATIONS CENTER**  
**STATEMENT OF NET POSITION/BALANCE SHEET (MODIFIED CASH BASIS)**  
**JUNE 30, 2021**

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**ASSETS**

Cash and cash equivalents \$ 743,245

**LIABILITIES**

Payroll liabilities 7,584

**NET POSITION / FUND BALANCE**

Unrestricted/Unassigned \$ 735,661

*The accompanying notes are an integral part of the financial statements.*

**MARION AREA MULTI-AGENCY EMERGENCY TELECOMMUNICATIONS CENTER**  
**STATEMENT OF ACTIVITIES/REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION/**  
**FUND BALANCE (MODIFIED CASH BASIS)**  
**YEAR ENDED JUNE 30, 2021**

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**REVENUES**

Charges for services - dispatch and call answering	\$ 2,540,741
Intergovernmental	734,949
Miscellaneous	23,032
	<hr/>
<i>Total Revenues</i>	3,298,722

**EXPENDITURES**

Personnel services	2,630,868
Materials and services	391,791
Capital outlay	38,857
Debt service	
Principal	43,986
Interest	3,235
	<hr/>
<i>Total Expenses/Expenditures</i>	3,108,737

<b>NET CHANGES IN NET POSITION/FUND BALANCE</b>	189,985
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<b>NET POSITION/FUND BALANCE, beginning of year</b>	545,676
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<b>NET POSITION/FUND BALANCE, end of year</b>	\$ 735,661
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*The accompanying notes are an integral part of the financial statements.*

**MARION AREA MULTI-AGENCY EMERGENCY TELECOMMUNICATIONS CENTER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

On July 1, 2013 North Marion County Communications (NORCOM) and Santiam Canyon Communications Center (SCCC) formalized a partnership that resulted in the formation of the new emergency telecommunications agency, Marion Area Multi-Agency Emergency Telecommunications Center (METCOM), which serves much of Marion County, parts of Linn County, parts of Clackamas County, and several areas under the protection of the US Forest Services. METCOM is an independent agency under Oregon Revised Statute, Chapter 190. METCOM serves seven police agencies, sixteen fire districts, two private ambulance providers, one county public works and the United States Forest Service.

METCOM is administered by an Executive Director who is responsible to a public safety user board, made up of administrators and elected officials of the participating agencies. The board is responsible for adopting policy for the organization. The Executive Director is responsible for the day to day operations of METCOM, personnel functions, budget preparation and administration. All significant activities for which METCOM is financially accountable are included in the financial statements.

There are certain governmental agencies and various service districts which provide services within the area served by METCOM. These agencies have independently elected governing boards and METCOM is not financially accountable for these organizations. Therefore, financial information for these agencies is not included in the accompanying financial statements.

As discussed further under *Measurement Focus and Basis of Accounting*, these financial statements are presented 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 (GAAP) established by the Governmental Accounting Standards Board (GASB). These modified 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 modified cash basis of accounting.

*Basic Financial Statements*

Basic financial statements are presented at both the government-wide and fund financial level. Since METCOM only has one fund, reporting is the same at the government-wide and fund level.

*Government-wide financial statements* display information about the reporting government as a whole. These statements focus on the sustainability of METCOM as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the Statement of Net Position (Modified Cash Basis) and the Statement of Activities (Modified Cash Basis).

The Statement of Net Position (Modified Cash Basis) includes net position, representing assets less liabilities, which may be shown in two components, restricted for special purposes, amounts which must be spent in accordance with legal restrictions, and unrestricted, the amount available for ongoing Center activities.

The Statement of Activities (Modified Cash Basis) demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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 that are restricted to meeting the operational or capital requirements of a particular function or segment. Items not properly included among program revenues are reported instead as *general revenues*.

**MARION AREA MULTI-AGENCY EMERGENCY TELECOMMUNICATIONS CENTER**  
*NOTES TO BASIC FINANCIAL STATEMENTS (Continued)*  
*YEAR ENDED JUNE 30, 2021*

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Basic Financial Statements (Continued)*

*Fund financial statements* display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental. Currently, METCOM has one governmental fund (the General Fund).

*Basis of Presentation*

The financial transactions of METCOM are recorded in the General Fund. The fund is accounted for by providing a set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures. The fund is reported by generic classification within the financial statements.

*General Fund*

This fund accounts for the financial operations of METCOM. Principal sources of revenues are user fees and state 911 revenues. Primary expenditures are for administration, dispatcher services and for police and fire rescue.

*Fund Balance*

In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which METCOM is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Governmental Fund type fund balances are reported in the following classifications.

Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories, prepaids and deposits, and assets held for resale.

Fund balance is reported as restricted when the constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Fund balance is reported as committed when the Board of Directors takes formal action that places specific constraints on how the resources may be used. The Board of Directors can modify or rescind the commitment at any time through taking a similar formal action.

Resources that are constrained by METCOM's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent is expressed when the Board of Directors approves which resources should be "reserved" during the adoption of the annual budget. METCOM's Finance Director uses that information to determine whether those resources should be classified as assigned or unassigned for presentation in METCOM's Annual Financial Report.

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned within the General Fund.

When expenditures are paid for purposes in which both net position – restricted and net position – unrestricted are available, METCOM deems net position – restricted to be spent first.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Definitions of Governmental Fund Types*

The General Fund is used to account for all financial resources.

*Measurement Focus and Basis of Accounting*

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 (Modified Cash Basis) and Statement of Activities (Modified Cash Basis), governmental activities are presented using the economic resource measurement focus, within the limitations of the modified cash basis of accounting, as defined below.

In the fund financial statements, the current financial resources measurement focus or the economic resources measurement focus is applied to the modified cash basis of accounting, is used as appropriate:

- a. All governmental funds utilize a current financial resources measurement focus within the limitations of the modified cash basis of accounting. Only current financial assets and liabilities are generally included on their balance sheets. 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.
- b. The government-wide statements utilize an economic resource measurement focus within the limitations of the modified cash basis of accounting. The accounting objectives of this measurement focus are the determination of operating income, change 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 within the limitations of the modified cash basis of accounting.

The financial statements are presented on a modified cash basis of accounting, which is a basis of accounting other than GAAP as established by the GASB. This basis of accounting involves modifications to the cash basis of accounting to report in the statements of net position or balance sheets cash transactions or events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. Such reported balances include:

1. Assets that normally convert to cash or cash equivalents (e.g., certificates of deposit, external cash pools, and marketable investments) that arise from transactions and events involving cash or cash equivalents are recognized.
2. Liabilities for cash (or cash equivalents) held on behalf of others or held in escrow are recognized.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Measurement Focus and Basis of Accounting (Continued)*

The modified cash basis of accounting differs from GAAP primarily because certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected and other accrued revenue and receivables) and certain liabilities and their related expenses or expenditures (such as accounts payable and expenses for goods and services received but not yet paid and other accrued expenses and liabilities) are not recorded in these financial statements. Capital assets and long-term liabilities are not reported in the financial statements; long-term liabilities are disclosed in the notes to the financial statements. In addition, other economic assets, deferred outflows, liabilities, and deferred inflows that do not arise from a cash transaction or event are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value.

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

METCOM's 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.

*Cash and Cash Equivalents*

METCOM maintains cash and cash equivalents in a common pool. METCOM considers cash on hand, demand deposits and savings accounts, and short-term investments with an original maturity of three months or less from the date of acquisition to be cash and cash equivalents.

Oregon Revised Statutes authorize METCOM to invest in certificates of deposit, savings accounts, bank repurchase agreements, bankers' acceptances, general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon Municipalities and the State Treasurer's Local Government Investment Pool, among others. Investments are stated at cost, which approximates fair value.

*Capital Assets*

METCOM does not maintain historical cost or depreciation records for capital assets that were previously assets of the Santiam Canyon Communications Center. Therefore, capital assets are not reported.

*Long-Term Debt*

Long-term debt is presented in the notes to the financial statements. In the fund financial statements, payments of principal and interest are recorded as expenditures when paid.

*Accrued Compensated Absences*

Full-time employees earn paid time-off at rates determined by length of employment. Paid time-off is not accrued on the financial statements because it is recorded as an expenditure when paid.



**MARION AREA MULTI-AGENCY EMERGENCY TELECOMMUNICATIONS CENTER**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2021**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Income Taxes*

METCOM is exempt from Federal income taxes under Internal Revenue Code Section 115.

*Property Taxes*

METCOM is exempt from taxes for all real and personal property, including property held under lease or lease purchase agreements under ORS 456.220 and ORS 456.225 of Oregon law.

*Budget and Budgetary Accounting*

METCOM adopts the budget on an object basis. The Board may amend the budget to expend unforeseen revenues by supplemental appropriations. All supplemental appropriations are included in the budget comparison statements. Appropriations lapse at year-end and may not be carried over. METCOM does not use encumbrance accounting.

*Use of Estimates*

The preparation of basic financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results may differ from those estimates.

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents are comprised of the following at June 30, 2021:

<b>Cash</b>	
Petty cash funds and cash on hand	\$ 400
Cash in demand deposits with financial institutions	531,306
<b>Investments</b>	
Local Government Investment Pool	211,539
	<hr/>
<i>Total Cash and Investments</i>	<u>\$ 743,245</u>

*Deposits*

The bank balance of METCOM's bank deposits (checking accounts) was \$574,425 and the book balance was \$531,306 at year end. The difference is due to transactions in process. All deposits not covered by FDIC insurance are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon.

**CASH AND CASH EQUIVALENTS (Continued)**

*Custodial Credit Risk - Deposits*

This is the risk that in the event of a bank failure, METCOM's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for METCOM's deposits with financial institutions for up to \$250,000 each for the aggregate of all demand deposits and the aggregate of all time deposit and savings accounts at each financial institution. Deposits in excess of FDIC coverage are with institutions participating in the Oregon Public Funds Collateralization Program (PFCP). The PFCP is a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized or 110% of their quarter-end public fund deposits if they are 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. As of June 30, 2021, \$324,425 of METCOM's bank balances were exposed to custodial credit risk as they were collateralized under PFCP.

*Local Government Investment Pool*

The State Treasurer of the State of Oregon maintains the Oregon Short Term Fund, of which the Local Government Investment Pool (LGIP) is part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, the investment funds are invested as a prudent investor would do, exercising reasonable care, skill and caution. The Oregon Short Term Fund is the LGIP for local governments and was established by the 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 (ORS 294.805 to 294.895). At June 30, 2021, the carrying value of the position in the Oregon State Treasurer's Short Term Investment Pool approximates fair value. Separate financial statements for the Oregon Short Term Fund are available from the Oregon State Treasurer.

*Custodial Risk – Local Government Investment Pool*

For an investment, this is the risk that, in the event of a failure of the counterparty, METCOM will not be able to recover the value of its investments or collateralized securities that are in the possession of an outside party. METCOM's investment policy limits the types of investments that may be held and does not allow securities to be held by the counterparty.

The LGIP is administered by the Oregon State Treasury with the advice of other state agencies and is not registered with the U.S. Securities and Exchange Commission. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision, or public corporation of the state that by law is made the custodian of, or has control of any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short Term Fund Board, which has established diversification percentages and specifies the types and maturities of the investments. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP. These investments within the LGIP must be invested and managed as a prudent investor would, exercising reasonable care, skill and caution. Professional standards indicate that the investments in external investment pools are not subject to custodial risk because they are not evidenced by securities that exist in physical or book entry form. Nevertheless, management does not believe that there is any substantial custodial risk related to investments in the LGIP.

**MARION AREA MULTI-AGENCY EMERGENCY TELECOMMUNICATIONS CENTER**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2021**

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**CASH AND CASH EQUIVALENTS (Continued)**

*Interest Rate Risk*

In accordance with its investment policy, METCOM manages its exposure to declines in fair value of its investments by investing in the LGIP.

**LONG-TERM DEBT**

As a result of the use of the modified cash basis of accounting in this report, obligations related to long-term debt and other obligations are not reported as liabilities in the financial statements. Long-term debt transactions for the year were as follow:

	<i>Balance July 1, 2020</i>	<i>Proceeds</i>	<i>Retirements</i>	<i>Balance June 30, 2021</i>	<i>Due Within One Year</i>
<i>Governmental Activities:</i>					
Equipment lease	\$ 89,560	\$ -	\$ (43,986)	\$ 45,574	\$ 45,574

Equipment Lease: On March 15, 2017 METCOM entered into a municipal lease-purchase agreement with Governmental Capital Corporation for communication equipment. The lease was for \$213,024 and calls for annual payments of \$47,221 including interest at 3.612%. It is secured by equipment. In the event of default, Governmental Capital Corporation may declare all amounts immediately due and payable and pursue any remedies that are legally available.

Future debt service requirements are as follows:

<i>Fiscal Year Ending June 30,</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2022	\$ 45,574	\$ 1,647	\$ 47,221

**PENSION PLAN**

Plan Description

METCOM employees are provided pension benefits through the Oregon Public Employees Retirement System (PERS). PERS is a cost-sharing multiple-employer defined benefit pension plan for units of state and local government in Oregon, containing multiple actuarial pools. Benefits are established and amended by the Oregon State Legislature pursuant to ORS Chapters 238 and 238A. The legislature has delegated the authority to administer and manage PERS to the Public Employees Retirement Board. PERS issues a publicly available financial report that can be found at: <https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

**MARION AREA MULTI-AGENCY EMERGENCY TELECOMMUNICATIONS CENTER**  
*NOTES TO BASIC FINANCIAL STATEMENTS (Continued)*  
*YEAR ENDED JUNE 30, 2021*

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***PENSION PLAN (Continued)***

Benefits Provided

PERS provides retirement, disability, and death benefits which vary based on a qualified employee's hiring date and employment class (general service or police/fire). All METCOM employees are eligible to participate after six months of covered employment. Details applicable to police/fire employees are noted in [square brackets] where different.

The Tier One/Tier Two Retirement Plan applies to qualifying employees hired before August 29, 2003 and is closed to new members.

Monthly retirement benefits are based on final 3-year average salary multiplied by years of service and a factor of 1.67% [2.00%]. Benefits may also be based on a money match computation, or formula plus annuity (for members contributing before August 21, 1981), if a greater benefit results. Employees are fully vested after making contributions in each of five calendar years, and are eligible to retire at age 55 [50]. Tier One benefits are reduced if retirement occurs prior to age 58 [55] with less than 30 [25] years of service; Tier Two benefits are reduced for retirement prior to age 60.

Employees are eligible for service-related disability benefits regardless of length of service; 10 years of service is required for nonservice-related benefits. Disability benefits are determined in the same manner as retirement benefits with service time computed to age 58 [55].

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance. The beneficiary may also receive a matching lump-sum payment from employer funds if the member was in covered employment at the time of death, or if the member died less than 120 days after termination, while on official leave of absence, or as a result of a job-related injury.

Monthly benefits are subject to annual cost-of-living adjustments (COLA). For benefits earned after the relevant effective dates, the COLA is subject to a cap of 1.25% on the first \$60,000 of annual benefits and 0.15% thereafter (ORS 238.360).

The Oregon Public Service Retirement Plan (OPSRP) applies to qualifying employees hired on or after August 29, 2003.

Monthly retirement benefits are based on final 3-year average salary multiplied by years of service and a factor of 1.50% [1.80%]. Employees are fully vested after completing 600 hours of service in each of five calendar years, and are eligible to retire at age 58 [53] with 30 [25] years of service, or at age 65 [60] otherwise.

Employees are eligible for service-related disability benefits regardless of length of service; 10 years of service is required for nonservice-related benefits. The benefit is 45% of the employee's salary during the last full month of employment before the disability occurred.

Upon the death of a non-retired member, the beneficiary receives a monthly benefit equal to 50% of the retirement benefit that would have been paid to the member.

Monthly benefits are subject to annual cost-of-living adjustments (COLA). For benefits earned after the relevant effective dates, the COLA is subject to a cap of 1.25% on the first \$60,000 of annual benefits and 0.15% thereafter (ORS 238A.210).

**MARION AREA MULTI-AGENCY EMERGENCY TELECOMMUNICATIONS CENTER**  
*NOTES TO BASIC FINANCIAL STATEMENTS (Continued)*  
*YEAR ENDED JUNE 30, 2021*

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***PENSION PLAN (Continued)***

Contribution Requirements

As a participating employer, METCOM is required to make monthly contributions to PERS based on actuarially determined percentages of covered payroll. Rates in effect for fiscal year 2021 were 21.61% for Tier One/Tier Two employees, 15.56% for OPSRP general service employees, and 20.19% for OPSRP police/fire employees. METCOM's total contributions to PERS were \$365,432 for fiscal year ended June 30, 2021.

Contribution requirements are established by Oregon statute and may be amended by an act of the Oregon State Legislature. Employer contribution rates for fiscal year 2021 were based on the December 31, 2018 actuarial valuation using the entry age normal actuarial cost method. It is important to note that the actuarial valuations used for rate setting are based on different methods and assumptions than those used for financial reporting which are described later in this note.

Employee contributions are set by statute at 6% of salary and are remitted by participating employers, who may agree to make employee contributions on the employee's behalf. Prior to January 1, 2004, employee contributions were credited to the defined benefit pension plan. Beginning January 1, 2004, all employee contributions were placed in the OPSRP Individual Account Program (IAP), a defined contribution pension plan described further at the end of this note.

Pension Assets/Liabilities, Pension Expense, and Pension-Related Deferrals

At June 30, 2021, METCOM has a net pension liability of \$2,954,333 as its proportionate share of the collective net pension liability for PERS, measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was based on a December 31, 2018 actuarial valuation, rolled forward to the measurement date. METCOM's proportion of the net pension liability was based on a projection of METCOM's long-term share of contributions to PERS relative to the projected contributions of all participating employers, as actuarially determined. METCOM's proportion was 0.01353743% as of the June 30, 2020 measurement date, compared to 0.01396852% as of June 30, 2019.

Actuarial Methods and Assumptions

The total pension liability in the December 31, 2018 actuarial valuation was determined using the entry age normal method and the following actuarial assumptions, applied to all periods included in the measurement: inflation rate of 2.50%, projected salary increases of 3.50%, investment rate of return of 7.20%, and mortality rates based on the Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. These assumptions were based on the results of an actuarial experience study ending December 31, 2018.

The long-term expected rate of return on pension plan investments was developed by combining estimated rates of return for each major asset class weighted by target asset allocation percentages and adjusting for inflation.

Target allocations and estimated geometric rates of return for each major asset class are available in the PERS publicly available financial report previously mentioned.

**MARION AREA MULTI-AGENCY EMERGENCY TELECOMMUNICATIONS CENTER**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2021**

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**PENSION PLAN (Continued)**

Actuarial Methods and Assumptions (Continued)

The discount rate used to measure the total pension liability was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following chart shows the sensitivity of the net pension liability (asset) to changes in the discount rate, based on calculations using discount rates of 6.20%, 7.20%, and 8.20%.

	<u>1% Decrease (6.20%)</u>	<u>Discount Rate (7.20%)</u>	<u>1% Increase (8.20%)</u>
Proportionate share of the net pension liability	\$ 4,386,940	\$ 2,954,333	\$ 1,753,025

Pension Plan Fiduciary Net Position

Detailed information about PERS' net position is available in its separately issued financial report.

Defined Contribution Plan

PERS-eligible employees are statutorily required to contribute 6% of their annual covered salary to the OPSRP Individual Accounting Program (IAP), a defined contribution pension plan. Benefit terms, including contribution requirements, are established by the Oregon Legislature. As permitted, METCOM has opted to pick-up the contributions on behalf of employees; contributions were \$74,761 for the year ended June 30, 2021. Employees are fully vested after completing 600 hours of service in each of five calendar years. PERS contracts with VOYA Financial to administer the IAP.

**POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS**

As required by ORS 243.303(2), all retirees are allowed to continue coverage (at the retirees' expense) under the group health insurance plan, until age 65 as an other post-employment benefit. The difference between the premium actually paid by retirees under the group insurance plan and the premium that they would pay if they were not included in the plan is considered to be an implicit subsidy. The implicit subsidy is not considered material to METCOM and the related liability has not been included in these financial statements.

**RISK MANAGEMENT**

METCOM is exposed to various risks to loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. METCOM purchases commercial insurance to cover all commonly insurable risks, which includes property damage, liability and employee bonds. Most policies carry a small deductible amount. No insurance claims settled in each of the prior three years have exceeded policy coverage.

**MARION AREA MULTI-AGENCY EMERGENCY TELECOMMUNICATIONS CENTER**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2021**

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***RISK MANAGEMENT (Continued)***

From time to time, METCOM is a defendant in various litigation proceedings. Management believes any losses arising from these actions will not materially affect METCOM's financial position.

***RISKS AND UNCERTAINTIES***

As a result of the recent coronavirus pandemic (COVID-19), numerous sectors of the economy are suffering damage and the long-term economic and business consequences of this remain unknown. The extent to which this will impact METCOM is uncertain.

***SUBSEQUENT EVENTS***

Management has evaluated subsequent events through December 21, 2021, the date on which the financial statements were available to be issued. Management is not aware of any subsequent events that require recognition or disclosure in the financial statements.

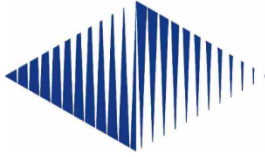
***SUPPLEMENTAL INFORMATION***



**MARION AREA MULTI-AGENCY EMERGENCY TELECOMMUNICATIONS CENTER**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**(BUDGETARY BASIS) - BUDGET AND ACTUAL - GENERAL FUND**  
**YEAR ENDED JUNE 30, 2021**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Charges for services	\$ 2,541,113	\$ 2,541,113	\$ 2,540,741	\$ (372)
Intergovernmental	622,200	622,200	734,949	112,749
Miscellaneous	33,868	33,868	23,032	(10,836)
<i>Total Revenues</i>	3,197,181	3,197,181	3,298,722	101,541
<b>EXPENDITURES</b>				
Current				
Personnel Services	2,675,852	2,675,852	2,630,868	44,984
Materials and Services	447,303	447,303	391,791	55,512
Capital Outlay	50,000	50,000	38,857	11,143
Debt Service - Principal	43,986	43,986	43,986	-
Debt Service - Interest	4,014	4,014	3,235	779
Contingency	118,676	118,676	-	118,676
<i>Total Expenditures</i>	3,339,831	3,339,831	3,108,737	231,094
<b>NET CHANGES IN FUND BALANCE</b>	(142,650)	(142,650)	189,985	332,635
<b>FUND BALANCE, beginning of year</b>	411,500	411,500	545,676	134,176
<b>FUND BALANCE, end of year</b>	\$ 268,850	\$ 268,850	\$ 735,661	\$ 466,811

***COMPLIANCE SECTION***



## GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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

Board of Directors  
Marion Area Multi-Agency Emergency Telecommunications Center  
1060 Mt. Hood Avenue  
Woodburn, Oregon 97071

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Marion Area Multi-Agency Emergency Telecommunications Center (METCOM) as of and for the year ended June 30, 2021 and have issued our report thereon dated December 21, 2021.

#### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether METCOM'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).**
- **Accountability for collecting or receiving money by elected officials - no money was collected or received by elected officials.**

In connection with our testing nothing came to our attention that caused us to believe METCOM 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.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered METCOM's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of METCOM's internal control. Accordingly, we do not express an opinion on the effectiveness of METCOM's internal control.

***Restriction on Use***

This report is intended solely for the information and use of the Board of Directors and management of METCOM and the Oregon Secretary of State, and is not intended to be and should not be used by anyone other than these parties.

GROVE, MUELLER & SWANK, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

By: 

Devan W. Esch, A Shareholder  
December 21, 2021