

TUALATIN VALLEY FIRE & RESCUE
POPULAR ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2014



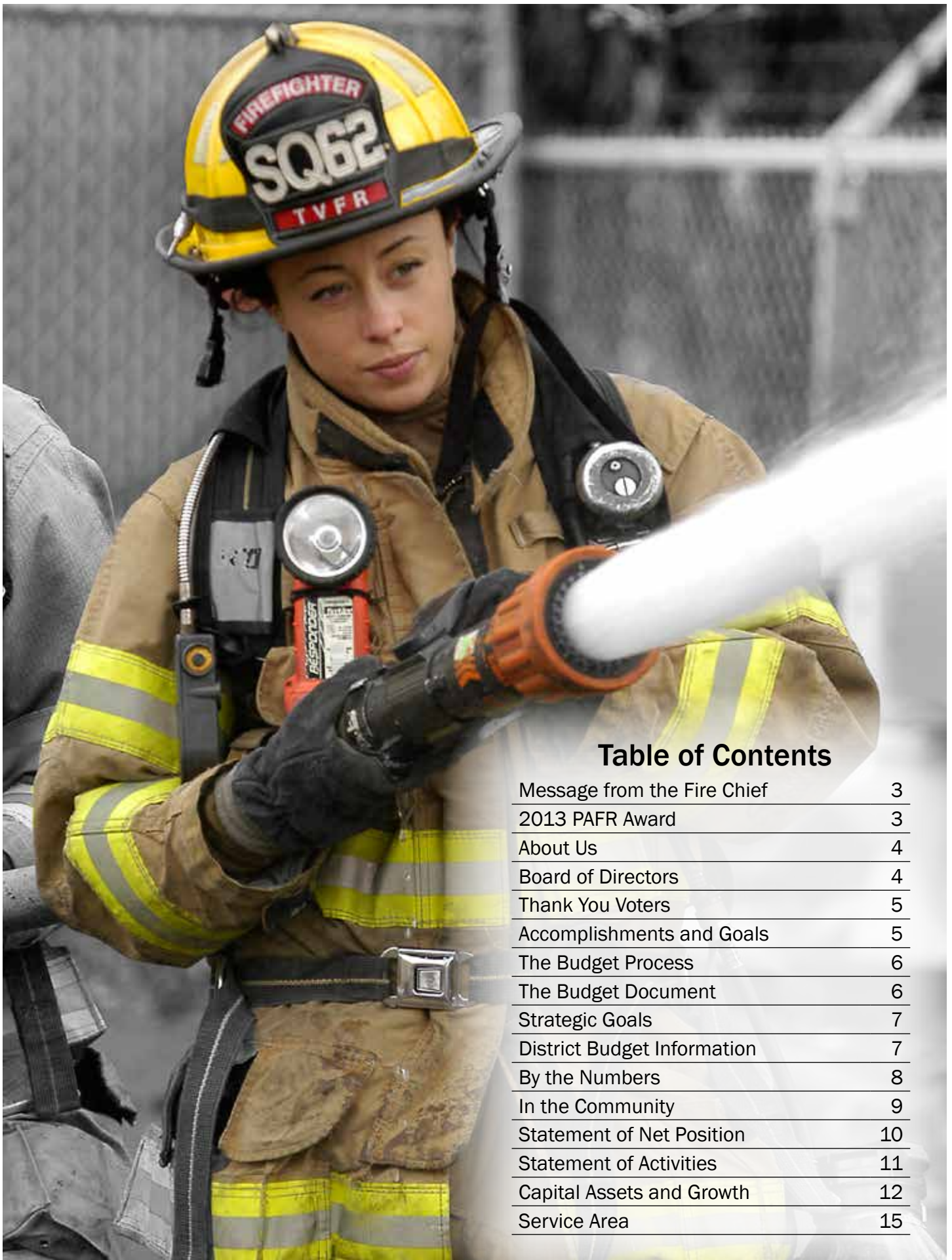


Table of Contents

Message from the Fire Chief	3
2013 PAFR Award	3
About Us	4
Board of Directors	4
Thank You Voters	5
Accomplishments and Goals	5
The Budget Process	6
The Budget Document	6
Strategic Goals	7
District Budget Information	7
By the Numbers	8
In the Community	9
Statement of Net Position	10
Statement of Activities	11
Capital Assets and Growth	12
Service Area	15

Message from the Fire Chief



Dear Citizens and Friends of Tualatin Valley Fire and Rescue,

I am pleased to present Tualatin Valley Fire and Rescue's second Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2014. This report is designed to provide a summary view of the financial activities of the District in a readily accessible and easily understandable manner. It is a high-level report for stakeholders who wish to learn more about the District and its finances. The information in this report is drawn from Tualatin Valley Fire and Rescue's [Comprehensive Annual Financial Report](#) (CAFR) for the fiscal year ended June 30, 2014, the Annual Budget Document for fiscal year 2014-15, and other District resources. The CAFR is prepared annually by District management, is audited by an independent audit firm and submitted to the State of Oregon. It provides detailed financial information, note disclosures, and ten years of statistical information.

The District is proud to receive awards from the Government Finance Officers Association (GFOA) for its budget documents, annual financial reports, and its first for the PAFR. We believe participation in these programs helps us achieve our goals of transparency and full disclosure of our financial activities and to utilize financial best practices in our operations. All of these reports may be found online at www.tvfr.com. We would be pleased to answer any questions or provide copies of any of these documents to our citizens.

Respectfully,

Michael R. Duyck
Fire Chief



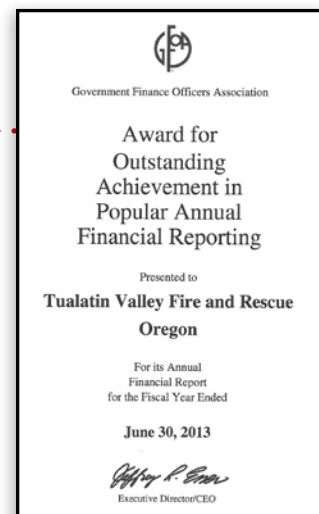
Chief's Bulls-eye

MISSION STATEMENT

TVF&R is committed to
CREATING SAFER COMMUNITIES through
PREVENTION, PREPAREDNESS, & effective
EMERGENCY RESPONSE.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded TVF&R with its award for outstanding achievement for the District's work and production of the 2013 Popular Annual Financial Report. The award is a prestigious national award that recognizes conformance with the highest standards of preparation in state and local government financial reporting.

In order to be considered for an award, a government must publish a Popular Annual Financial Report that conforms to program standards for creativity, presentation, understandability and reader appeal.



About Us

Tualatin Valley Fire and Rescue (TVF&R) was formed in 1989 through the merger of two predecessor fire departments and has continued to grow through additional mergers and annexations. The District provides fire protection and emergency medical services to its approximately 450,000 citizens in the communities of Beaverton, Durham, King City, Rivergrove, Sherwood, Tigard, Tualatin, West Linn, Wilsonville, and portions of Washington, Clackamas, and Multnomah counties.

The District is dedicated to creating safer communities through education, prevention, preparedness, and emergency response. Emergency response services include fire suppression, emergency medical services, and technical rescue services. For several years, the District has served as a Regional Hazardous Material Response provider for the State of Oregon, with a service area ranging from the City of Portland boundary on the east to the Pacific Ocean on the west and from the District's northern boundary in Multnomah county south to Marion county.

The District's broad geographic base of almost 210 square miles serves a relatively strong area of Oregon's economic base with recovering employment and property tax values. The District's population is forecasted to continue to grow in the years ahead.

The District is accredited by the Commission on Fire Accreditation International (CFAI) through 2015 and is preparing for its next site visit and intensive review.



Board of Directors

President



Robert C. Wyffels
Term Ends:
June 30, 2017

Vice President



Randy J. Lauer
Term Ends:
June 30, 2015

Secretary/Treasurer



Gordon L. Hovies
Term Ends:
June 30, 2017

Board Member



Clark I. Balfour
Term Ends:
June 30, 2017

Board Member



Brian J. Clopton
Term Ends:
June 30, 2015



Thank You Voters

In May 2014, TVF&R voters approved a replacement local option levy, to begin in fiscal year 2015-16. The replacement levy of \$0.45 replaces the \$0.25 levy which expires at the end of 2014-15.

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What the replacement levy provides:

The replacement levy will keep 42 current firefighter medics, add up to 44 emergency responders, additional staff, equipment and fire stations. These resources are needed to address growing demand, improve response times, and allow us to provide the right resources at the right time.

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Accomplishments and Goals

In 2014, TVF&R accomplished the following goals:

- Deployed Medic Units 52 and 58
- Purchased the new Station 70 site
- Implemented emergency transport services
- Improved response times
- Completed an integrated mobile healthcare project with a local hospital



Medic Unit 52

Goals in process:

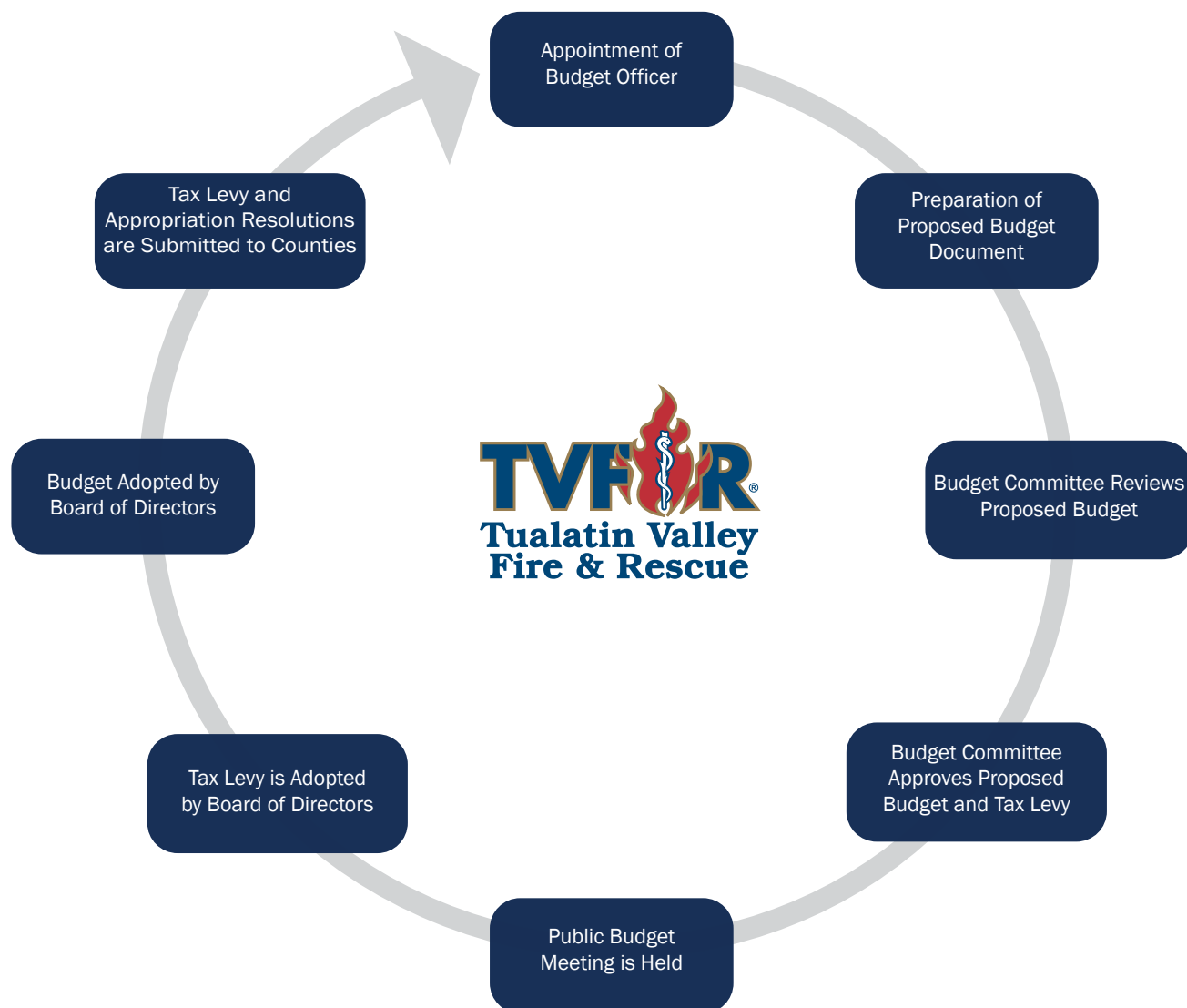
- Opening new Station 68
- Completing construction of Station 70
- Purchasing land for new Station 63 in Aloha
- Implementing additional mobile healthcare pilot programs
- Purchasing land in Charbonneau, Rosemont, Borland, and West Bull Mt. locations
- Deploying of six new medic units
- Purchasing three trucks
- Remodeling volunteer Station 368
- Acquiring new apparatus for Station 368



Station 68 Crew

The Budget Process

The District's fiscal year is July 1 to June 30. Each year in early fall the District begins its budget process. This process is completed with the Board of Director's adoption of the budget each year in late June. Creation of the budget includes analysis, projection and incorporation of the District's Strategic Plan.



The Budget Document



Please visit www.tvfr.com to access the current Budget Document online.

Strategic Goals

The District operates under seven strategic goals. Each year the District assesses its achievement toward the goals as part of the District's annual report card process. The measurement of District and organization-wide impact is part of the annual assessment process.

1. Reduce the number and severity of emergency incidents.
2. Increase the community's participation in their safety and preparedness, and knowledge and support of the District's services.
3. Enhance preparedness for catastrophic and uncommon events.
4. Foster an environment conducive to the safety and health of all members.
5. Develop and enhance a workforce that understands and respects individual and group differences, and builds trust in the communities we serve.
6. Leverage use of existing resources and seek efficiencies for the greatest community good.
7. Ensure ongoing financial and business operations stability and predictability.

District Budget Information

	Fiscal Year		
	2013	2014	2015
Budgeted Requirements All Funds			
Personnel Services	\$ 71,520,425	\$ 74,012,410	\$ 78,199,718
Materials and Services	10,145,035	10,496,072	11,194,787
Capital Outlay	14,412,567	14,906,550	11,614,737
Debt Service Payment	5,839,637	5,765,836	5,696,285
Transfers	3,558,592	2,829,647	3,256,559
Contingency	12,718,137	11,396,627	9,003,624
Total Budgeted Requirements	\$ 118,194,393	\$ 119,407,142	\$ 118,965,710



By the Numbers

Over the past ten years the District's population has continued to grow, reaching a total of **450,000** in 2014. As the population and demographics change, we adjust our operations. This allows us to continue to respond to our citizens, quickly, efficiently and with the right resources.

Moody's Bond Rating

The District's bond rating is Aaa, the highest rating available.

District Property Tax

98% of the District's revenue comes from the collection of property taxes. The tax rate TVF&R receives consists of the permanent tax rate, the local option levy, and the general obligation bond levy. Each is assigned per \$1,000 dollars of assessed value.

- Permanent rate - \$1.5252
- Local option levy - \$0.2500
- General obligation bond - \$0.1309

Total Tax Rate **\$1.9061**

Incidents & Resources

2013

Incidents by type:

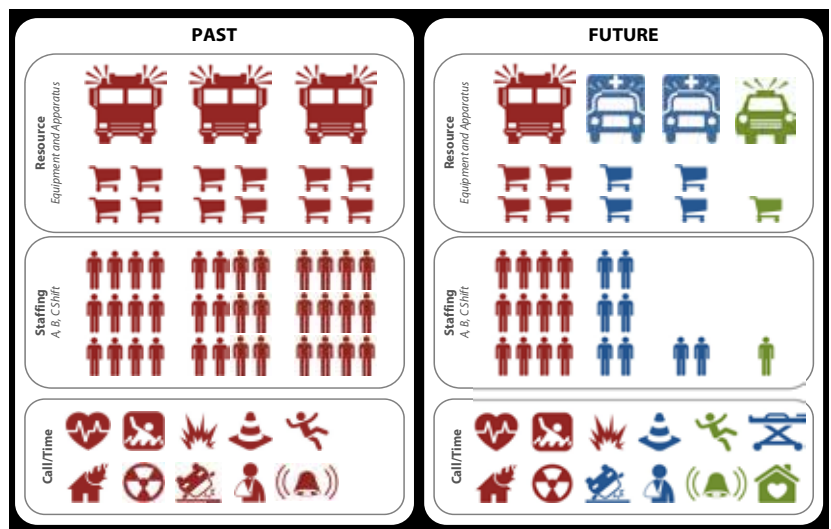
Fire Prevention Inspections	6,684
Emergency Medical Service Calls	28,738
Fire Responses	3,597
Other Calls, including hazardous condition and public service	2,416
Miscellaneous calls, including good intent	342
	41,777

**PREVENTION,
PREPAREDNESS,
& RESPONSE**

TVF&R is widely recognized for innovation and regularly measures performance to constantly monitor and improve service delivery.

- Data tracking, gathering and analysis are essential to maximize resources. For example, sending the right resource to the right call is a top priority for TVF&R.
- Decisions about where to assign firefighters, how to move apparatus, and where to build new fire stations are based on constantly analyzed data.
- In 2010, TVF&R became one of the first departments in the country to add Cars to its response fleet. The Car—with one paramedic—is a cost-effective option for responding to non-life-threatening medical and public service calls.
- Medic deployment will continue in 2014-15 and beyond to decrease response times to certain call types.

Right Resource, Right Call



In the Community

Stop Kids Impaired Driving



May 2014 SKID Demonstration

Stop Kids Impaired Driving (SKID) is a multi-agency demonstration to show consequences of impaired driving to high school students. The demonstrations re-enact a fatal multi-vehicle collision due to the effects of alcohol. Participants include police, fire and medical first-responders, as well as the medical examiner. These powerful re-enactments deeply affect all who watch, so teachers and counselors are on hand to help students understand what they've seen.

Hands-Only CPR

In 2014, TVF&R staff trained **4,713** students to perform hands-only CPR. The chances of surviving a cardiac arrest within TVF&R's service area is greater than the national average. In 2013, our cardiac **SURVIVAL RATE** was **40%**. This rate is a reflection of our commitment to investing in cardiac care and equipment and in our community. We invest in our community through outreach programs like teaching hands-only CPR to students, working with police officers to carry AEDs, and exchanging our blue uniforms for red t-shirts each February as we work to spread the message about responding to cardiac events.

Two steps to save a life:



Call Right Away!



Push Hard & Fast in
the Center of the Chest!

2013 Public Events

Citizens Served

Station Tours, Open Houses,
Community Events, Safety House
Events & Landlord Training
Workshops

51,101

We Value **HEALTHY**
SAFE
COMMUNITIES

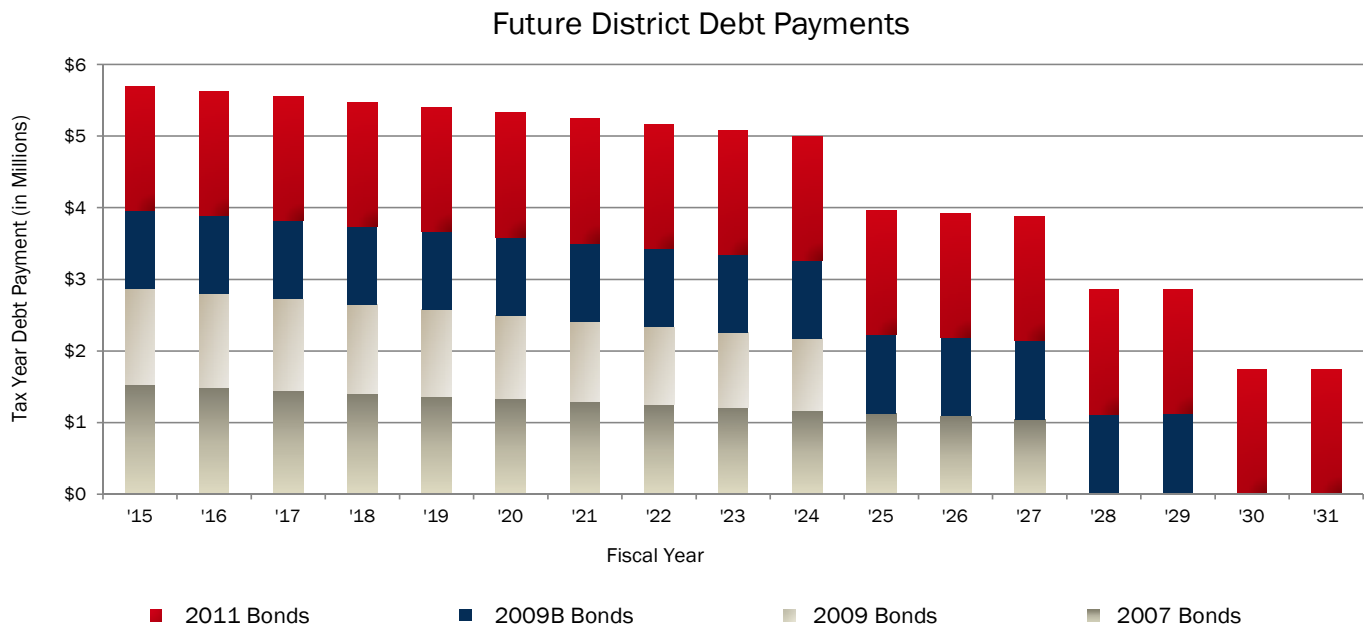


Washington Square Mall Hands-Only CPR Demonstration

Statement of Net Position

The Statement of Net Position is also known as the Government-wide Balance Sheet. It presents information on all the District's assets and liabilities, with the difference between the two representing the net position of the District. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating. In 2014, the District's net position increased by \$3.5 million. This is a result of the District's efforts to build capital assets to support future operational requirements.

	2012	2013	2014
Current and other assets	\$ 92,248,106	\$ 90,991,605	\$ 88,129,430
Capital assets	73,007,397	76,280,759	79,085,299
Total assets	<u>\$ 165,255,503</u>	<u>\$ 167,272,364</u>	<u>\$ 167,214,729</u>
Current liabilities	\$ 15,706,249	\$ 17,753,764	\$ 16,234,930
Long-term debt	62,762,442	58,976,371	56,996,686
Total liabilities	<u>78,468,691</u>	<u>76,730,135</u>	<u>73,231,616</u>
Total net position	<u>\$ 86,786,812</u>	<u>\$ 90,542,229</u>	<u>\$ 93,983,113</u>



- The District was authorized by its voters in November of 2006, to issue \$77.5 million of general obligation bonds.
- To date, there have been four issuances of these bonds totaling \$72.5 million.
- The bond issues were for purposes of funding fire station construction and command center projects, seismic improvements, and to purchase land and fire apparatus.

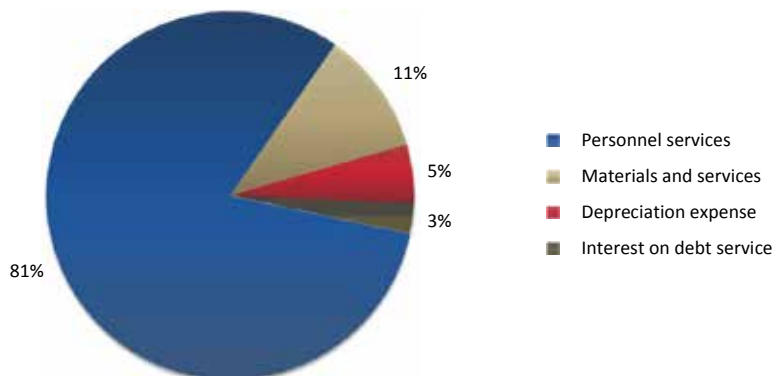
Statement of Activities

The Statement of Activities is also known as the Government-wide Income Statement. This statement reports money received and spent by the District during the fiscal year. The largest revenue by far is from property taxes, which makes up over 95% of all revenue. Since the District is so dependent on this revenue type, great effort is dedicated to understanding housing market and property tax trends. Of note during 2014:

- Property tax revenue increased by 3.5 percent
- Expenditures for public safety increased by 3.6 percent
- Personnel services account for 81 percent of all expenditures

Revenues	2012	2013	2014
Taxes	\$ 79,303,750	\$ 79,853,105	\$ 82,677,581
Interest	343,772	336,512	276,632
Charges for services	1,322,636	1,383,399	1,939,665
Insurance refunds	188,074	527,435	882,340
Operating grants and contributions	1,086,330	1,161,457	168,769
Capital grants	48,450	-	-
Gain on sale of capital assets	-	551,304	583,350
Miscellaneous	224,531	400,202	91,807
	<u>82,517,543</u>	<u>84,213,414</u>	<u>86,620,144</u>
Expenditures			
Personnel services	63,391,870	65,478,071	67,684,441
Materials and services	8,945,999	8,644,634	9,026,296
Depreciation expense	4,100,517	4,020,065	4,257,139
Interest on debt service	2,417,200	2,315,227	2,211,384
	<u>78,855,586</u>	<u>80,457,997</u>	<u>83,179,260</u>
Change in net position	3,661,957	3,755,417	3,440,884
Beginning net position	83,124,855	86,786,812	90,542,229
Ending net position	<u>\$ 86,786,812</u>	<u>\$ 90,542,229</u>	<u>\$ 93,983,113</u>

Government-wide Expenditures FY 2013-14

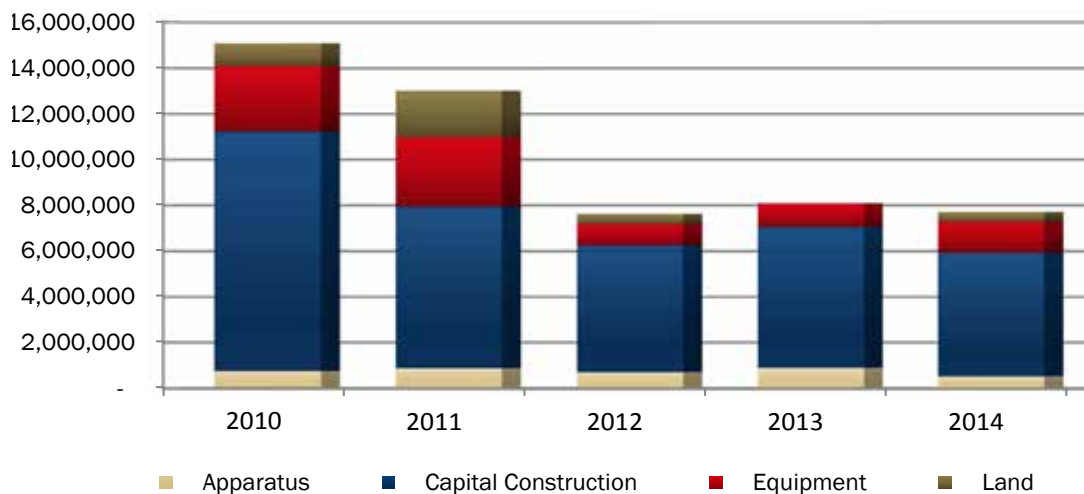


Capital Assets and Growth

TVF&R sets aside reserves for future capital expenditures. Because the cost of certain assets is significant, the District must save over a period of years prior to expenditure. This process also helps anticipate when outside funding might be required. Both the general obligation bonds and the local option levy have been utilized for capital purposes.

Capital projects range from the purchase of land for future development of fire stations, costs for construction of new facilities, seismic remodel of older facilities, and the purchase of apparatus and other firefighting equipment. All departments within the District are required to maintain replacement schedules for anticipated new and ongoing purchases. These are built into the long-term forecast.

Capital Spending History by Fiscal Year
Past Five Years



Car 50 - single paramedic unit

58% of TVF&R
firefighters are
PARAMEDICS



Station 65 - West Slope

Capital Expenditures over the next five years will include:

Apparatus

Fire engines
Fire trucks
Medic units
Response cars
Water tenders
Pool, Code 3, and staff vehicles

Capital Construction

Stations 51, 52, 62, 64 and 69 remodel
New station construction
Station 54
Station 55
Station 68
Station 70
Station 71

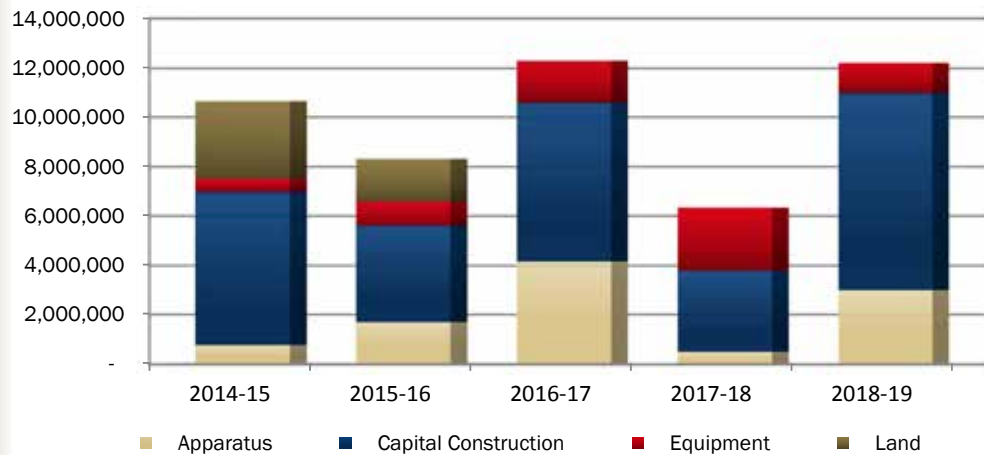
Equipment

IT & Communications equipment
Radio replacement
Network infrastructure
Mobile computing
Response infrastructure (WCCCA)
Operations equipment
Turnouts
Extrication equipment
Technical rescue equipment
EMS equipment
Media equipment
AV replacement

Land

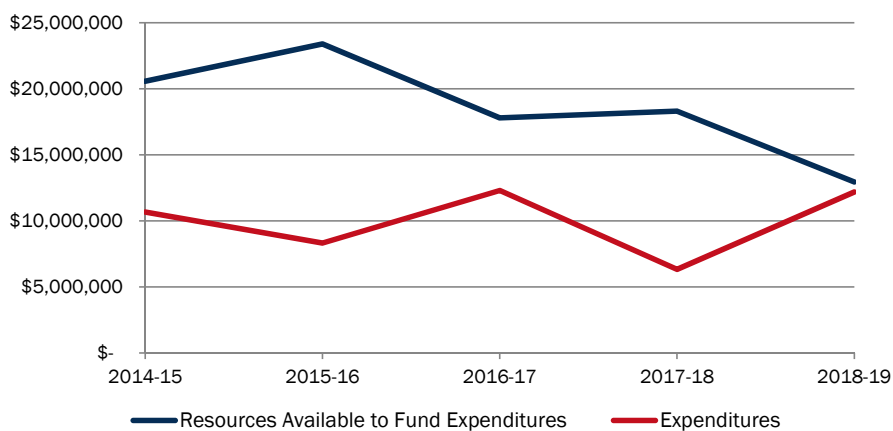
West Linn
West Bull Mountain
Aloha
Raleigh Hills
Kaiser
Charbonneau

Capital Spending Forecast by Fiscal Year Next Five Years



Site of future station 70, Raleigh Hills

Forecasted Resources and Expenditures



Sources of Capital Funds Include

General obligation bonds
Local option levy
Sale of surplus land
Reserves held for capital purposes
Transfers from the General Fund

Firefighters in the Community



Emergency Medical Services



Hazardous Materials Team

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EMERGENCY RESPONSE.



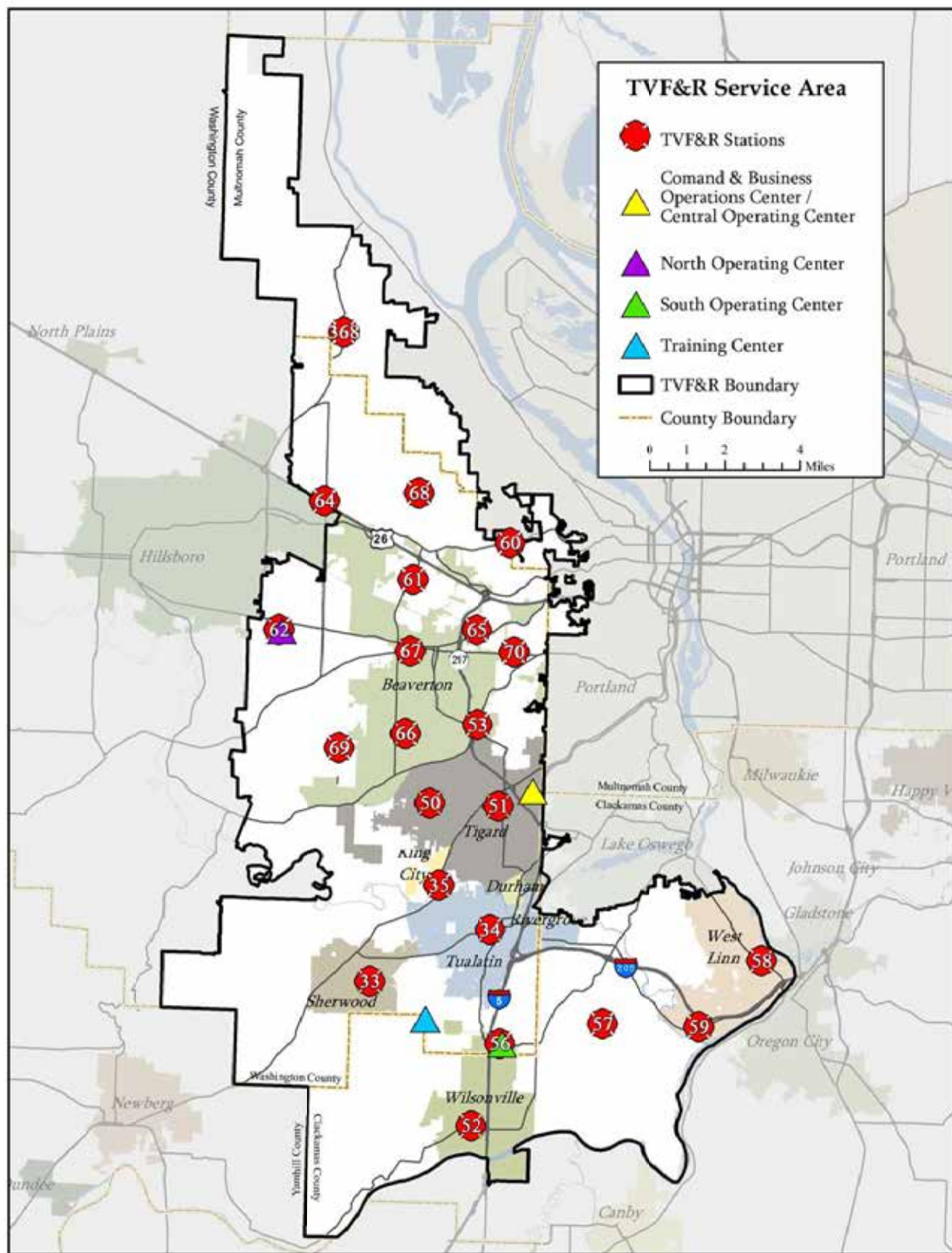
Technical Rescue Team



Firefighter on fire scene



Traffic accident extrication



Tualatin Valley Fire & Rescue is Oregon's second largest fire department. The service area includes nine cities and portions of three unincorporated counties. Twenty two fire stations, three operating centers, and a training facility are strategically located throughout the service area, ensuring a quick and immediate response to any situation.

Tualatin Valley Fire & Rescue

Central Operating Center
11945 SW 70th Avenue
Tigard, OR 97223-9196

Phone: (503) 649-8577

www.tvfr.com



This report was prepared by Tualatin Valley Fire & Rescue, Finance Division.