

Tualatin Valley Fire and Rescue

A Rural Fire Protection District, Tigard , Oregon

Popular Annual Financial Report

for the fiscal year ended June 30, 2015



Committed to serving the Cities of:

Beaverton • Durham • King City • Rivergrove • Sherwood • Tigard • Tualatin • West Linn • Wilsonville

And portions of:

Washington • Clackamas • Multnomah Counties

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Dear Citizens and Friends of Tualatin Valley Fire and Rescue,

I am pleased to present Tualatin Valley Fire and Rescue's (TVF&R) third Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2015. 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 those 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, 2015, the Annual Budget Document for fiscal year 2015-16, and other District resources. The PAFR is consistent with Generally Accepted Accounting Principles. The CAFR is prepared annually by District management, is audited by an independent audit firm and submitted to the State of Oregon. It provides more 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, and annual financial reports. We believe participation in these programs provide transparency and ensures best financial practices in our operations. 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

TVF&R Board of Directors



President
Gordon L. Hovies
Term Ends:
June 30, 2017



Vice President
Clark I. Balfour
Term Ends:
June 30, 2017



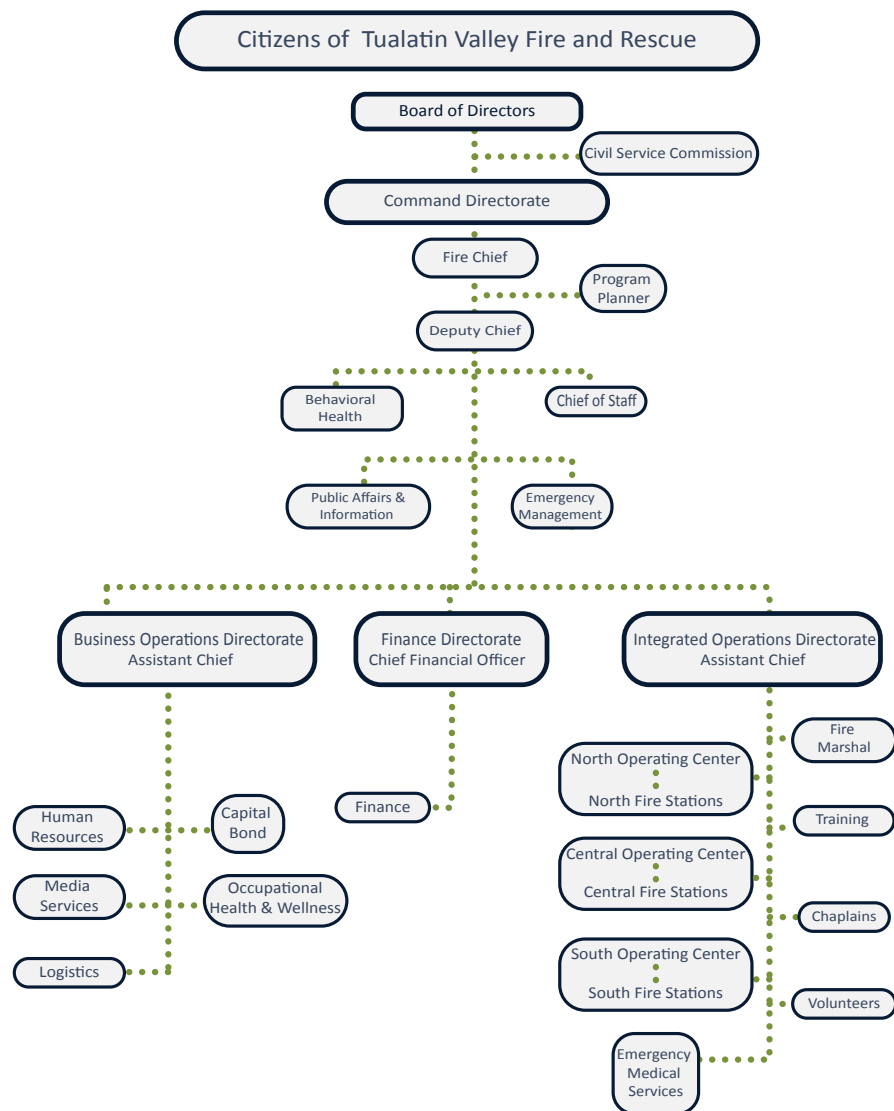
Secretary/Treasurer
Brian J. Clopton
Term Ends:
June 30, 2019



Board Member
Randy J. Lauer
Term Ends:
June 30, 2019



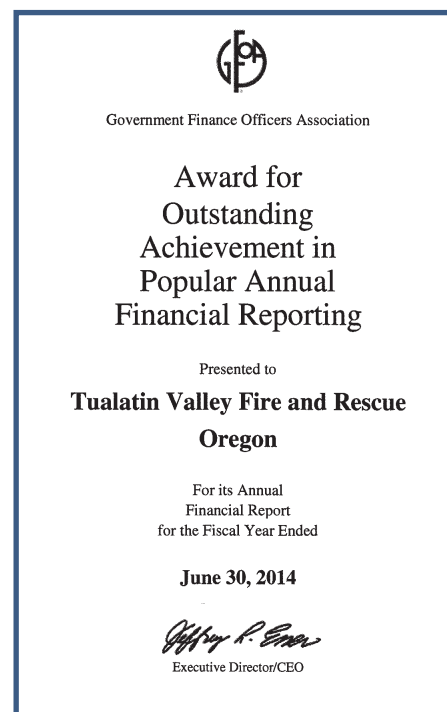
Board Member
Robert C. Wyffels
Term Ends:
June 30, 2017



Achieving Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded TVF&R with outstanding achievement for the District's work and production of the 2014 Popular Annual Financial Report. This respected national award 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 reader appeal, understandability, distribution, innovation and usefulness.



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 forecast to continue to grow in the years ahead.





SMALL SIZE, BIG IMPACT

STATION 70 - RALEIGH HILLS

Tualatin Valley Fire & Rescue's new Raleigh Hills Station 70 opened its doors in 2015. It is staffed by two paramedics who respond to medical calls in Medic Unit 70. Unlike other stations in the District that operate around the clock, this station is staffed during peak hours on Tuesday through Friday from 7 a.m. to 5 p.m. Outside of these hours, emergency calls are divided between nearby West Slope Station 65 and Progress Station 53.

At 1,950 square feet, Station 70 has a much smaller footprint than TVF&R's typical station standard of 10,540 square feet. Station 70's immediate response area includes 5,979 addresses in West Slope and Raleigh Hills. Its two member crew is expected to respond to an average of 1,300 emergency calls each year.

Station 70 was built to accommodate a single medic unit and is the District's first to have horizontal four-fold apparatus bay doors, which open in less than half the time as traditional overhead doors.



RIGHT SIZING

An analysis of five years of response data between 2008 and 2012 showed that a station was needed at the exact location of Station 70 to meet service demands.

Of the 6,473 incidents reviewed in the station's first-due area, 86 percent were emergency medical calls. The most frequent medical emergencies crews respond to in this area include reports of a sick person, fall, chest pain, breathing problem, or a motor vehicle accident with an injury.



Calls by Type in Station 70 Service Area

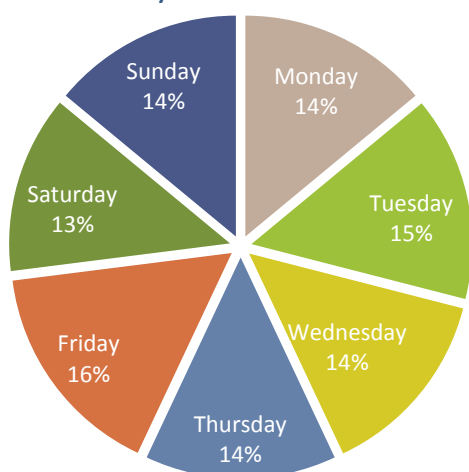


	Fire	EMS	Hazard	Service *	False Call	Other **
Dispatched As	9%	86%	2%	2%	0%	1%
What We Found	2%	66%	3%	9%	5%	15%

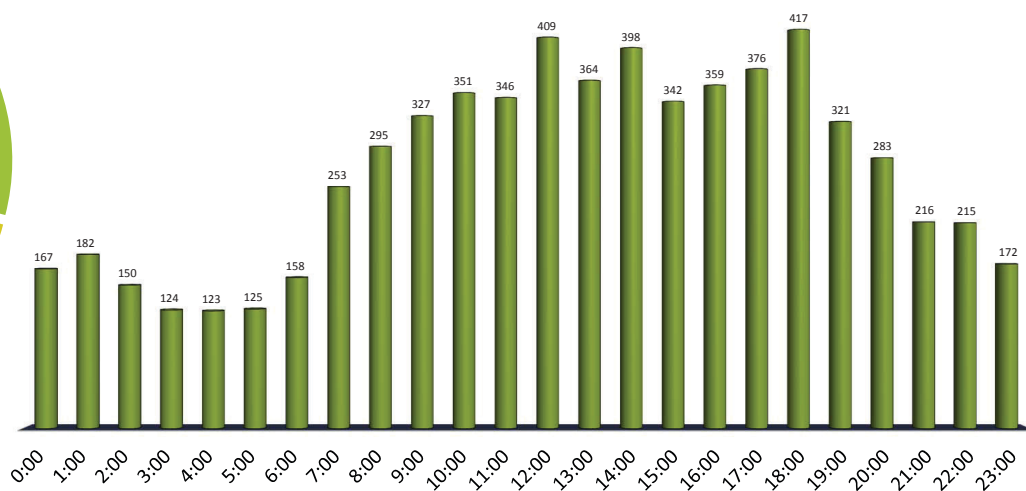
* Service calls include assistance for patients or law enforcement

** Other calls include cancellations, natural conditions, and good intent

Percentage of Total Calls by Day of the Week



Calls by Time of Day

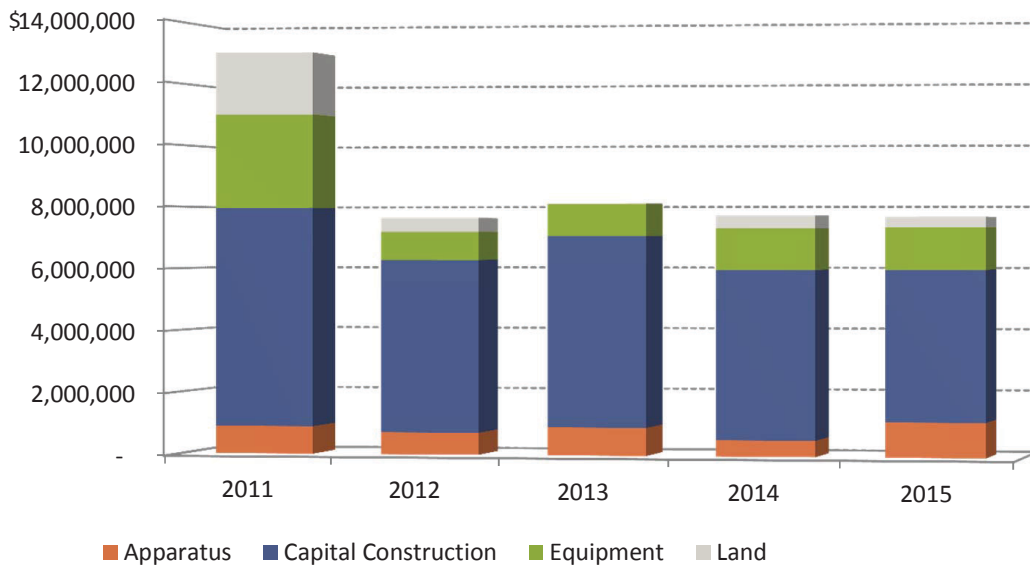


Growth

TVF&R plans for and sets aside reserves for future capital expenditures. Because the costs of many assets are significant, the District is required to save over a period of years prior to expenditure. This process also helps anticipate when outside funding might be required. General obligation bonds and local option levies have also been utilized for capital purposes.

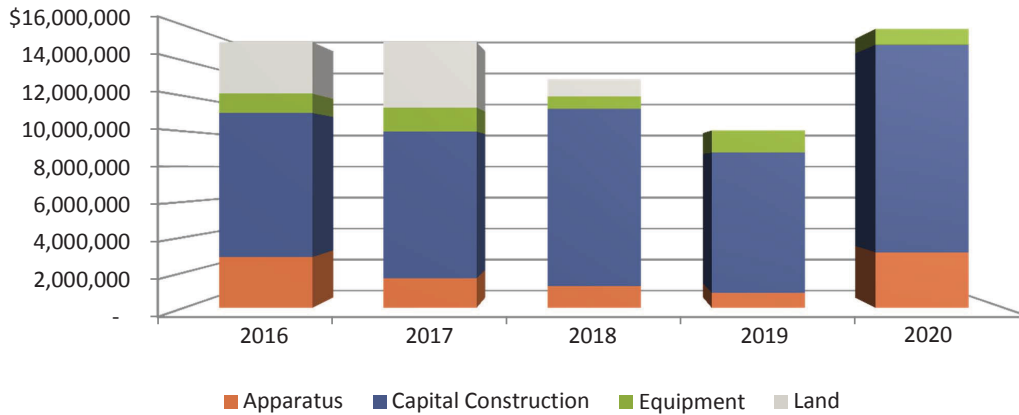
Capital projects range from the purchase of land for future development of fire stations, costs for construction of new facilities, seismic remodel of older facilities, and the purchase of apparatus and other firefighting equipment. All departments within the District are required to maintain replacement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

Capital Spending History (past five years)



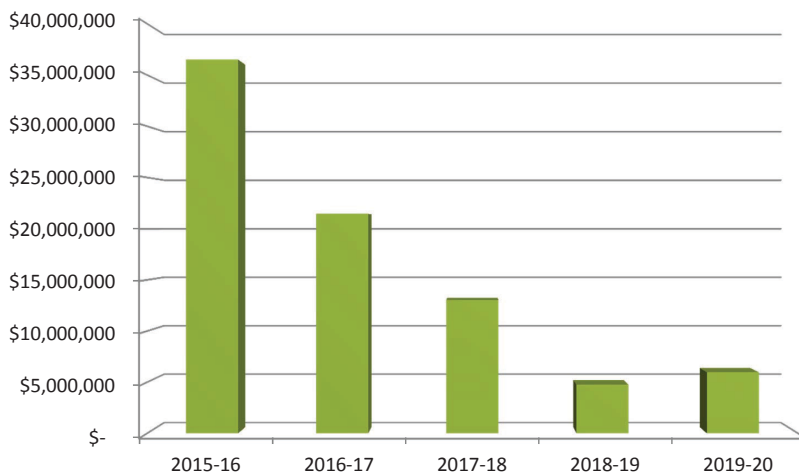
The capital forecast below illustrates the capital expenditures planned for the next five years.

Capital Spending Forecast (next five years)



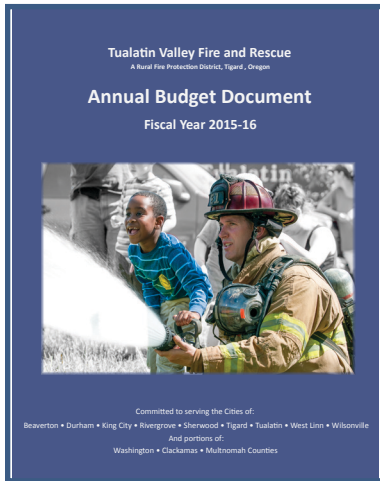
Apparatus	Capital Construction	Equipment	Land
Response Vehicles Fire engines Fire trucks Medic units Response cars Water Tenders Non-response Vehicles Staff code 3 vehicles Staff vehicles	Station 31 - West Bull Mountain Station 39 - Rivergrove Station 54 - Charbonneau Station 55 - Rosemont Station 62 - Aloha Station 63 - Aloha Station 70 - Raleigh Hills Station 71 - Kaiser/Springville Remodel & Seismic Upgrades Station 64 - Somerset Station 69 - Cooper Mountain	IT & Communications Equipment Servers Network infrastructure & storage Mobile computing Response infrastructure (WCCCA) Operations Equipment Turnouts Extrication equipment EMS equipment HazMat equipment Technical rescue equipment Training materials Media Equipment AV replacement Cameras DTV delivery system	Station 31 - West Bull Mountain Station 38 - Borland Station 39 - Rivergrove Station 54 - Charbonneau Station 55 - Rosemont Station 62 - Aloha Station 63 - Aloha

Resources Available to Fund Expenditures



Funding Sources:

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



The District's fiscal year is July 1 through 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 in late June. Creation of the budget includes analysis, projection and incorporation of the District's Strategic Plan.

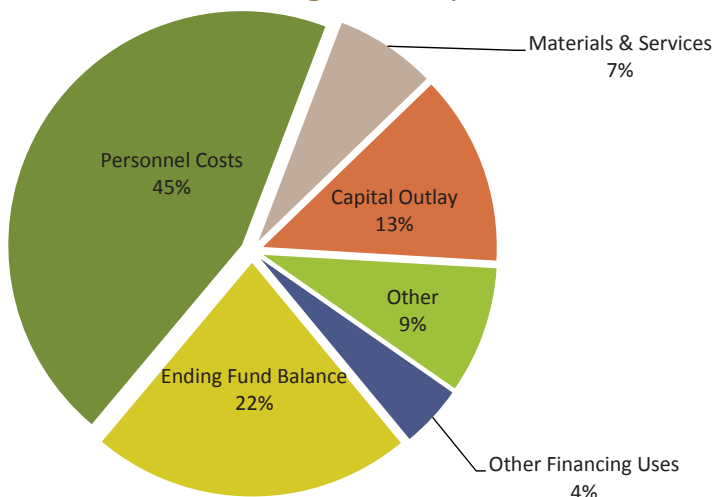
Please visit www.tvfr.com to access the current Budget Document online.

Budgeted Requirements

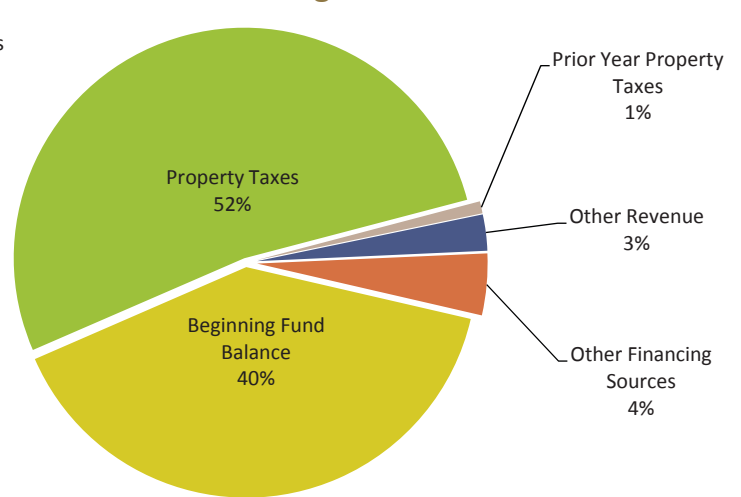
	Fiscal Year		
	2014	2015	2016
Personnel services	\$ 74,012,410	\$ 78,199,718	\$ 82,241,513
Materials and services	10,496,072	11,194,787	12,851,435
Capital outlay	14,906,550	11,614,737	24,187,673
Debt service payments	5,765,836	5,696,285	6,341,112
Transfers	2,829,647	3,256,559	7,957,170
Contingency	11,396,627	9,003,624	9,780,959
Total budgeted requirements	<u>\$ 119,407,142</u>	<u>\$ 118,965,710</u>	<u>\$ 143,359,862</u>

Significant increases in all categories for the 2016 year are a result of implementing improvements allowed by the passage of a local option levy at the rate of 45 cents per \$1,000 of assessed value (AV). The previous rate was 25 cents per \$1,000 of AV. The additional local option levy will help ensure TVF&R meets its highest priority of fast and effective emergency response by deploying additional firefighters and response units and acquiring land for additional station sites.

2015-16 Budgeted Requirements



2015-16 Budgeted Resources

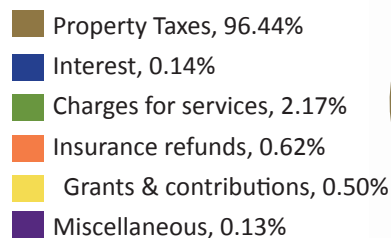
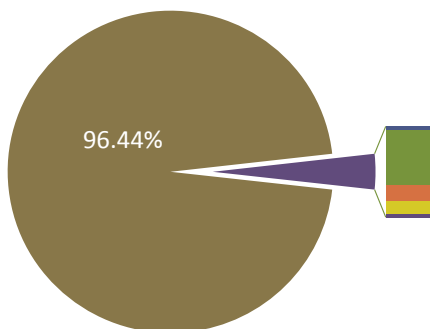


General Fund

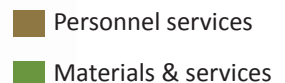
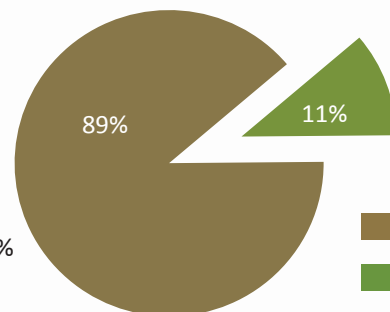
The General Fund accounts for the ongoing operations of the District on the modified accrual basis of accounting, and does not include revenues and expenditures that are required to be accounted for in other funds such as capital items and those of a fiduciary nature. The principal revenue source is from property taxes which grew at a rate of approximately 4.4% in 2015, and the primary expenditure is for public safety. Expenditures for personnel services increased by 7.8% as staffing increases were initiated early in response to voter approval of an increased local option levy.

	2013	2014	2015
Revenues			
Property taxes	\$ 74,187,616	\$ 76,851,403	\$ 80,427,928
Interest	149,414	109,777	119,296
Charges for services	1,227,268	1,731,241	1,806,645
Insurance refunds	526,133	881,244	520,569
Grants and contributions		106,611	413,520
Miscellaneous	239,710	64,356	105,758
Total revenues	<u>76,330,141</u>	<u>79,744,632</u>	<u>83,393,716</u>
Expenditures			
Personnel services	63,749,453	66,849,131	72,082,009
Materials and services	7,879,019	8,213,196	8,955,539
Total expenditures	<u>71,628,472</u>	<u>75,062,327</u>	<u>81,037,548</u>
Other Financing Sources (Uses)			
Transfers in		149,113	24,151
Transfers out	(3,400,120)	(2,595,018)	(3,219,787)
Proceeds on sale of surplus property	4,294	12,442	11,882
Total other financing sources (uses)	<u>(3,395,826)</u>	<u>(2,433,463)</u>	<u>(3,183,754)</u>
Net change in fund balance	1,305,843	2,248,842	(827,586)
Beginning fund balance	<u>39,655,686</u>	<u>40,961,529</u>	<u>43,210,371</u>
Ending fund balance	<u>\$ 40,961,529</u>	<u>\$ 43,210,371</u>	<u>\$ 42,382,785</u>

Revenues



Expenditures



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 on the accrual basis of accounting 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 2015, the District's position increased by over \$18 million. This is mostly due to the 2015 addition of the PERS net pension asset as a result of new reporting requirements of the Government Accounting Standards Board related to pension disclosures.

	2013	2014 As restated	2015
Current and other assets	\$ 90,991,605	\$ 88,129,430	\$ 102,306,498
Capital assets	76,280,759	79,085,299	81,241,652
Total assets	167,272,364	167,214,729	183,548,150
Total deferred outflows of resources		5,390,098	7,050,722
Total assets and deferred outflows	167,272,364	172,604,827	190,598,872
Current liabilities	17,753,764	16,234,930	19,264,990
Long-term debt	58,976,371	87,143,922	58,229,107
Total liabilities	76,730,135	103,378,852	77,494,097
Total deferred inflows of resources			25,852,554
Total net position	\$ 90,542,229	\$ 69,225,975	\$ 87,252,221

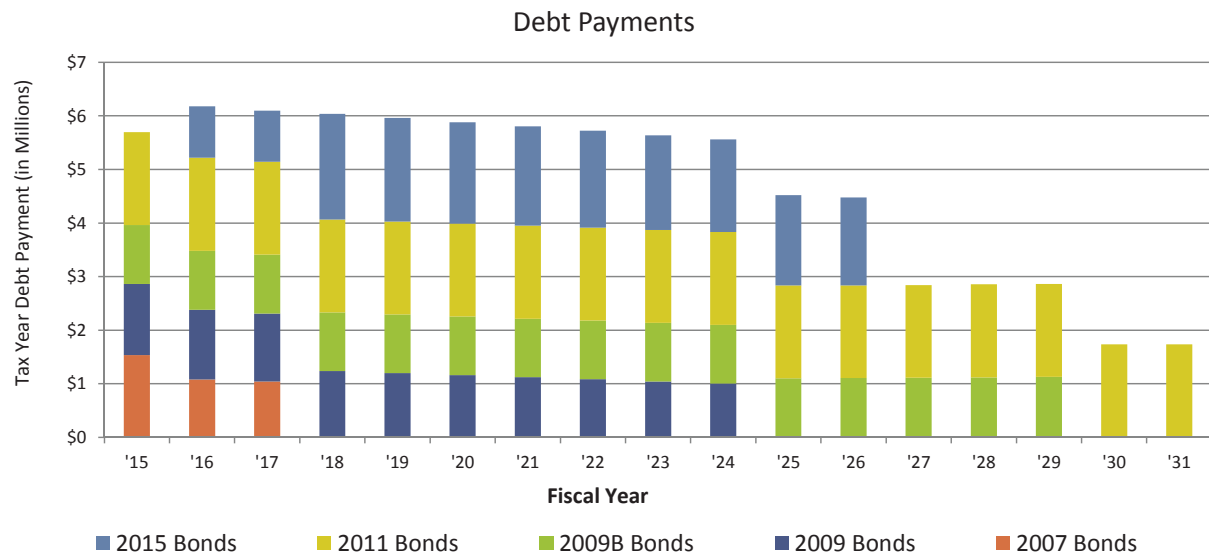
Statement of Activities

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 property tax revenue, which makes up over 95% of all revenue. Of note during 2015:

- Property tax revenue increased by 3.5 percent due to growth in assessed values.
- Personnel services decreased by 18% (due to the pension adjustment mentioned above)

	2013	2014	2015
Program revenues	\$ 2,544,056	\$ 2,108,434	\$ 2,882,774
Property tax revenues	79,853,105	82,677,581	85,582,417
Other revenues	1,816,253	1,834,129	1,275,499
Total revenues	84,213,414	86,620,144	89,740,690
Public safety - fire protection	78,142,770	80,967,876	69,798,428
Interest on long-term debt	2,315,227	2,211,384	1,916,016
Total expenses	80,457,997	83,179,260	71,714,444
Change in net position	3,755,417	3,440,884	18,026,246
Beginning net position	86,786,812	90,542,229	69,225,975
Restatement of beginning of year		(24,757,138)	
Ending net position	\$ 90,542,229	\$ 69,225,975	\$ 87,252,221

District Debt Payments



- The District was authorized by its voters in November 2006 to issue \$77.5 million of general obligation bonds. The final issuance of \$5 million occurred in early 2015.
- A portion of the 2007 bond series was refunded during 2015 for a savings of almost \$1 million.
- The bond proceeds were used to fund fire station construction and command center projects, seismic improvements, and to purchase land for future stations and fire apparatus.

District Funding

Property tax revenues provide almost all funding for TVF&R. Property taxes are received through a (\$1.52/\$1,000 of assessed value) permanent tax rate, a local option levy that funds firefighters and equipment, and a general obligation bond tax levy that pays for capital construction projects approved by voters in 2006. The District's permanent tax rate was set in 1997 as part of the implementation of a statewide constitutional tax measure.

- Permanent rate - \$1.5252
- Local option levy - \$0.2500
- General obligation bond - \$0.1170

Moody's Bond Rating

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

Total 2014-15 Tax Rate **\$1.8922**



Hazardous Materials Response Team

By The Numbers

Incidents 2014 (Calendar Year)

Incidents by type:

Fire prevention inspections	6,890
Emergency medical service calls	29,829
Fire responses	3,460
Other calls, including hazardous condition and public service	2,540
Miscellaneous calls, including good intent	304
	43,023

Public Events 2014 Calendar Year

	Events	Attendees
Community events and station tours	705	59,070
Safety house events	36	7,215
Landlord training workshops	4	160
	745	66,445

Number of Stations 2014-15 Fiscal Year

Stations	21
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Personnel 2014-15 Fiscal Year

Function:

Fire and rescue services	346
Fire prevention and training	24
Administrative and support	103

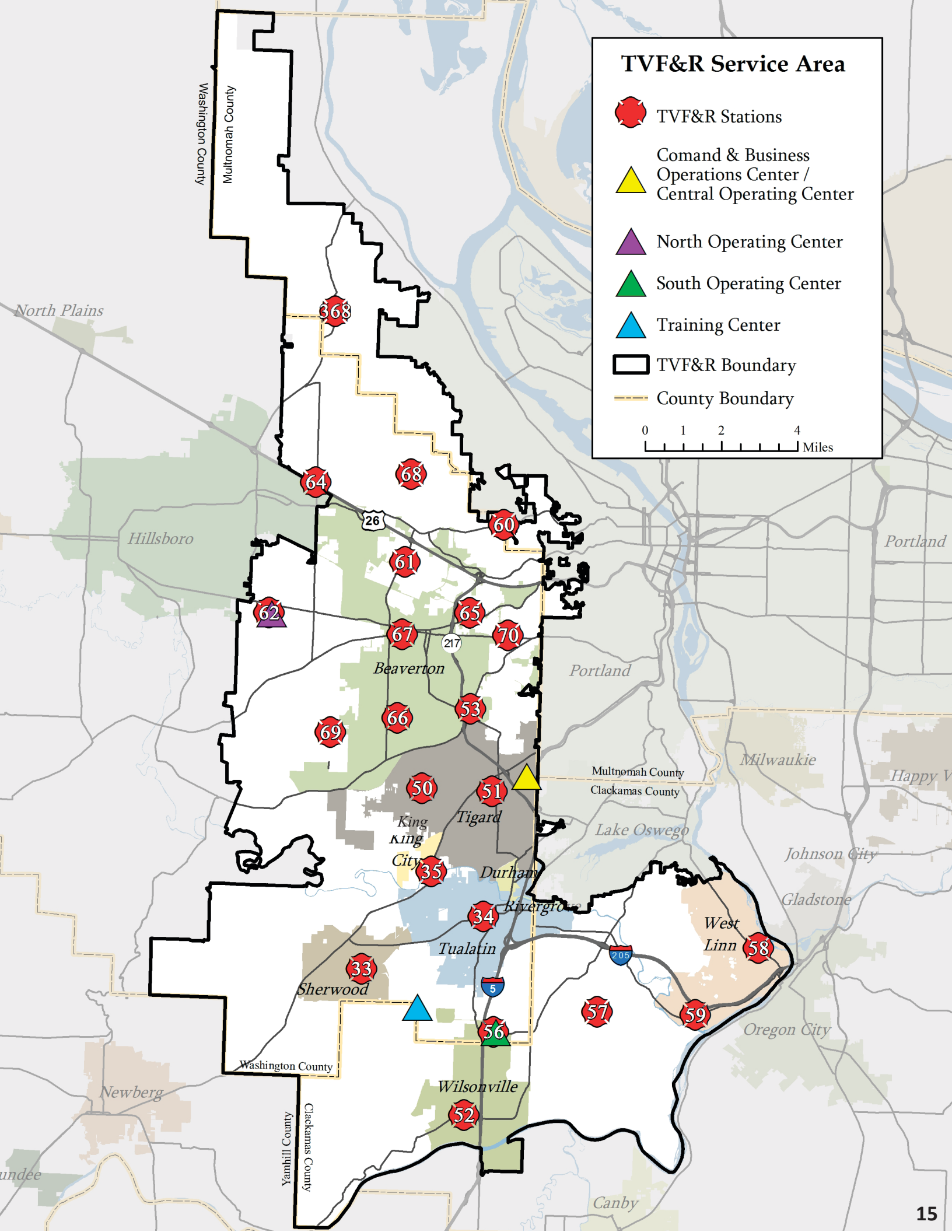
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Apparatus 2014-15 Fiscal Year

Aerial/Truck/Platform	4
Antique fire equipment	5
Brush rig	9
Cars	7
Elevated waterway	3
Hazardous materials	5
Medic unit	10
Mobile command unit	1
Pumper/engine	28
Rescue	2
Technical rescue	7
Water tender	7

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Command & Business Operations Center
11945 SW 70th Avenue
Tigard, OR 97223-9196

Phone: (503) 649-8577

www.tvfr.com

Copies of the Popular Annual Financial Report, Comprehensive Annual Financial Report and Budget Document are available online at www.tvfr.com. Hard copies can be requested by calling (503) 649-8577.
This report was prepared by Tualatin Valley Fire & Rescue, Finance Division.