

# Tualatin Valley Fire & Rescue

A Rural Fire Protection District, Oregon



## Annual Comprehensive Financial Report

for the year ended June 30, 2022

TVF&R proudly serves the Oregon cities of Beaverton, Durham, King City, Newberg, North Plains, Rivergrove, Sherwood, Tigard, Tualatin, West Linn, and Wilsonville in addition to portions of Washington, Clackamas, Multnomah, and Yamhill counties.





# Tualatin Valley Fire and Rescue

A Rural Fire Protection District, Oregon

## **Annual Comprehensive Financial Report**

for the year ended June 30, 2022



11945 SW 70<sup>th</sup> Avenue  
Tigard, Oregon 97223  
Phone: (503) 649-8577

**[www.tvfr.com](http://www.tvfr.com)**

*Prepared by the Finance Division.*



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# Introductory Section









October 20, 2022

**To Board President Lauer and  
Members of the Board of Directors of  
Tualatin Valley Fire and Rescue**

We are pleased to submit the Annual Comprehensive Financial Report of Tualatin Valley Fire and Rescue (District) for the fiscal year ended June 30, 2022. The responsibility for the completeness, fairness, and accuracy of the data presented and all accompanying disclosures rests with the District. To provide a reasonable basis for making these representations, the District's management has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse; and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Tualatin Valley Fire and Rescue is a special district established to provide a full range of fire protection and emergency response services to its residents. This report has been prepared in accordance with accounting principles generally accepted in the United States of America and follows guidelines recommended by the Government Finance Officers Association of the United States and Canada.

State of Oregon Revised Statutes, ORS 297.405 to 297.555, require an annual audit of the fiscal affairs of the District by independent public accountants selected by the Board of Directors. This requirement has been complied with and the Independent Auditor's Report has been included at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the Independent Auditor's Report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

**Logistics Service Center**  
9991 SW Avery Street  
Tualatin, Oregon  
97062-8545  
503-649-8577

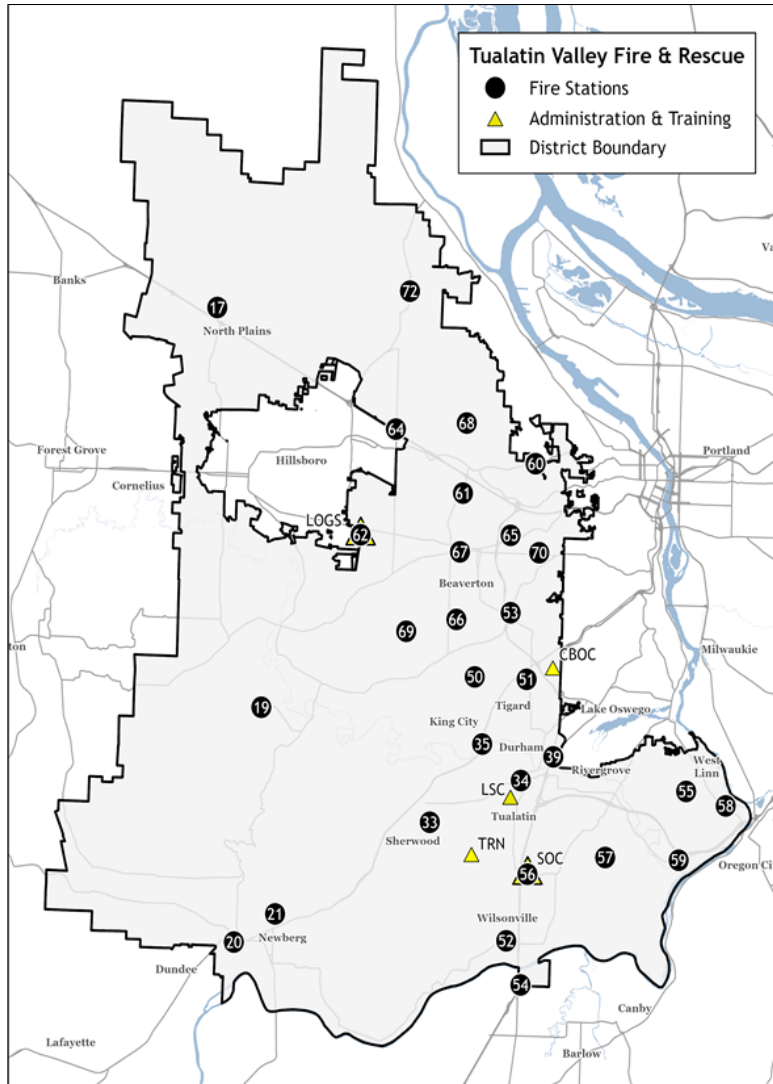
**Command & Business Operations Center**  
11945 SW 70<sup>th</sup> Avenue  
Tigard, Oregon  
97223-8566  
503-649-8577

**South Operating Center**  
8445 SW Elligsen Road  
Wilsonville, Oregon  
97070-9641  
503-649-8577

**Training Center**  
12400 SW Tonquin Road  
Sherwood, Oregon  
97140-9734  
503-259-1600

## The Reporting Entity and Its Services

The District operates under Oregon Revised Statutes Chapter 478 as a separate municipal corporation and is managed by a Board of Directors comprised of a President and four Directors including a Vice-President and a Secretary-Treasurer. The Board hires a Fire Chief to manage the day-to-day operations of the District. The governing Board appoints members of the community to serve on boards and commissions, which include the Budget Committee and the Civil Service Commission.



Tualatin Valley Fire and Rescue, A Rural Fire Protection District, was formed in 1989 through the legal merger of Washington County Fire Protection District No. 1 and Tualatin Rural Fire Protection District. Subsequently, the District has expanded its service area through annexation to include the City of West Linn, the City of Beaverton, Valley View Water District, the Rosemont Fire District, and Washington County Fire District No. 2 ("District 2") and the mergers of Multnomah County Fire Protection Districts No. 4 and 20. The City of Newberg and Newberg Rural Fire Protection District were legally annexed July 1, 2018.

The District's total combined service area encompasses approximately 390 square miles. The District provides services to northeast Washington County, northwest Clackamas County, the western edge of Multnomah County, and portions of Yamhill County. The District is a special service district supported by the property owners within its boundaries, currently serving an estimated 2022 population of 542,524.

The District currently operates 29 career and volunteer fire stations. The District deploys a complement of fire engines, ladder trucks, aerial pumpers, hazardous materials response units, technical rescue units, one heavy CBRNE unit (chemical, biological, radiological, nuclear, and explosives), water tenders, brush rigs, and several other pieces of equipment, including medics, response cars, water rescue units, a mobile command unit, and additional fleet vehicles utilized to supplement response needs. District employees - 609 in 2022 - were supplemented by approximately 60 volunteer firefighters.

The District has been and continues to be focused on providing the taxpayers the highest level of service in an efficient and effective operation. The District continues to implement operational improvements such as additional fire stations and emergency response units, in order to accomplish its strategic goals. Through its local option levy, the

District continues to purchase future fire station sites with the expected final three sites in process of identification or completion.

The area served, which includes the cities of Beaverton, Durham, King City, Newberg, North Plains, Rivergrove, Sherwood, Tigard, Tualatin, West Linn and Wilsonville lies within one of the fastest growing regions of the State of Oregon. It is an area encompassing densely populated suburbs, rural farmlands, retail and commercial establishments and growing industrial complexes. The service area also covers significant agricultural areas of Oregon including important winegrowing regions contributing to the state economy.

Assessed valuation continues to grow and to provide additional tax revenue. The District's funding is based upon a permanent tax rate of \$1.5252 levied per \$1,000 of assessed valuation, additional local option levy of \$.45 cents per thousand through June 30, 2025, and a general obligation bond levy amount with a rate of \$0.1411 per thousand in 2021-22. Increases in assessed valuation result in increased tax revenue to the District. Assessed valuation increased from \$67.5 billion in the 2020-21 fiscal year to approximately \$70.1 billion in the 2021-22 fiscal year.

The addition of the Newberg service area increased the District's transport service revenue as the District was assigned the Yamhill County Ambulance Service Area #1 as part of serving the area. This growing revenue source, provided the funding for operating the service area.

Capital funding in 2021-22 was provided through the utilization of current and prior year transfers of local option levy amounts, and the voter approval of a General Obligation Bond in November of 2021 dedicated to the purchase of new fire station sites for the future before continued growth and development precluded the ability to purchase fire station sites, and provided for station construction and remodeling. The levy continues to pay for increased firefighter and paramedic unit staffing levels.

Fire stations are strategically placed throughout the District to protect property and the District population. The District utilizes defined response time standards, projected population densities and aging demographics, urban growth projections, as well as actual and planned traffic conditions to determine the best station sites to optimize response times to our residents through our interconnected network of fire stations. Planning includes the need to continue deploying additional emergency response units and stations within the service area.

The District is a multi-service district with services and programs tailored to meet the needs of the community. The District is committed to creating safer communities through prevention, preparedness, and effective emergency response. Emergency response services include fire suppression, emergency medical services and transport, water, high angle, and heavy rescue. For several years, the District has served as a Regional Hazardous Material Response provider for the State of Oregon, with a service response 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 and south to Marion County. As a provider, the State of Oregon contributes to ongoing training of the District's Hazardous Material response personnel, and reimbursements for responses are authorized.

The District's Fire and Life Safety staff is dedicated to meeting all of the state mandates regarding fire investigations, commercial and retail occupancy inspections, and educating District residents. To deal with emergencies, both fire and medical, the District staffs a team of professional firefighters and paramedics 24-hours a day with skills and equipment necessary to deal with a wide variety of emergencies. The District has 254 professional firefighters and



paramedics certified as advanced life support (ALS) paramedics, while 100% of the remaining fire suppression personnel are certified at either the Basic or Intermediate Emergency Medical Technician levels. Under the guidance of physician advisors, emergency medical service personnel (all of whom are firefighters or paramedics) maintain high skill levels through several specialized programs.

The District's Training Center facility includes a six-story training tower, a burn building for live fire training, a 19-acre training center, and a live TV studio and media center. It provides personnel with constant training to keep their skills at the highest level. The Training Center facility, which was constructed in several phases using public funding and private donations, provides advanced training opportunities in flammable liquids and gases and usage of live props, including a tanker truck, a vehicle driving course, propane rail cars, a bridge, and excavation tunnels. The Training Center provides private businesses, District employees, and other customers a site to train for actual emergency situations and to meet federally mandated training requirements. The Training Center's facility and grounds are used for the many intensive District training operations, as well as for District employers requiring specialized training.

### **Economic Condition and Outlook**

The District, through its broad geographic base, serves a strong area of Oregon's economic base. Three of four counties within the District's legal boundaries as of June 30, 2022 are in the top seven counties in Oregon in the fourth quarter of 2021 providing employment of 75,000 or more people. Washington County's average weekly wages were \$1,692 a week, and Multnomah County's were \$1,527, as compared to \$1,418 nationally. Clackamas County has average weekly wages of \$1,368. The Newberg area covers portions of Yamhill County, a small county measured by an employment level of less than 75,000, has average weekly wages of \$1,056. <sup>1</sup>

The District monitors property tax valuation matters closely and has worked extensively with regional officials to monitor trends and forecasts of this critical revenue source and with county assessors to closely analyze property type trends. Assessed valuation of existing property is limited to three percent increases a year. Growth in the District's assessed valuation is largely expected to come from legally allowed increases in assessed valuation and continued new development and construction. Assessed value is at approximately 55% of the market value as of the 2021-22 fiscal year. For 2021-22, the assessed value of the District grew 3.82%, now totaling over \$70.1 billion dollars. Top taxpayers of the District include Nike, Intel, Comcast, and several utilities. Top ten taxpayers in Washington County comprise approximately 5% of the District's entire tax base as the tax base is well diversified with the majority of the property being residential.

The District's population is expected to grow in the next 20 years. Staff is working proactively and cooperatively with other governments and regional planning groups to ensure continued ability to serve this future population. This includes participating in neighborhood and street planning, emergency access and road construction planning processes, as well as evaluating and working across jurisdictional boundaries to ensure closest force response to population centers regardless of where city and county boundary lines fall.

The area serves as the home to companies such as Nike, CUI Global, Columbia Sportswear, Flir Systems Inc., Electro Scientific Industries, Inc., Touchmark Living Centers and Digimarc. Top metropolitan area employers include Intel,

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<sup>1</sup> [https://www.bls.gov/regions/west/news-release/countyemploymentandwages\\_oregon.htm](https://www.bls.gov/regions/west/news-release/countyemploymentandwages_oregon.htm)

Providence Health Systems, Oregon Health & Science University, Nike, Inc., Fred Meyer, U.S. Bank, Comcast, New Seasons Market, and Wells Fargo, among others.

The District is in a strong financial position with a good economic base and has been able to effectively continue fiscal operations.

### **Major Initiatives and Long-Term Planning**

The budget is a policy document and operational plan for the District. Multi-year financial and capital forecasts are updated from input across the District prior to the budget process. Revenue and expenditure forecasts and capital needs are then programmed into the budget process. The annual budget is designed to reflect the goals of the Strategic Plan, and the audited financial statements provide a tool for measuring the progress of plans that are underway.

The District has an ending fund balance policy for the General Fund which sets a goal to maintain five months of expenditures in fund balance at the end of each fiscal year in order to meet operating requirements before property taxes are received. The District is slightly short of meeting that goal with ending fund balance representing 4.8 months of expenditures at fiscal year-end.

The District also has a contingency policy that requires the Board of Directors approve any request for use of contingency and follow state budget laws to appropriate. This action was required once during the 2021-2022 year.

In fiscal year 2022, the District focused on three planned significant capital areas; land acquisition, station construction, and the implementation of the voter approve \$122 million General Obligation Bond. Combined efforts are required in order to manage the projects and build fire stations and purchase apparatus that will provide taxpayers the best service and value for the next 20 years. The District's efforts in 2022 have continued toward the land acquisition of additional future station sites, design, and construction of replacement station 62.

### **Department Service Efforts and Accomplishments**

During the fiscal year ended June 30, 2022, all divisions and departments of the District contributed toward the accomplishments of the second year of the two-year 2020-2022 Strategic Plan. The three main goals, supplemented by supporting strategies and organizational tactics, as outlined in the District's 2020-22 Strategic Plan were:

1. Advance a healthy organization through a unified mission, effective communication, resilient people, and responsible resource management.
2. Advance a high-performing organization and workforce with particular focus on the core functions that improve fast and effective emergency response and community risk reduction.
3. Carefully evaluate and then execute, or dismiss, emerging opportunities.

Accomplishments during the fiscal year ended June 30, 2022 as a result of these goals included implementation of a Technology Services Steering Committee, began planned projects for various physical and technological security measures, conducted research and master planning to inform the bond team on proposed capital bond projects, refined the 2iS application supporting EMS response, participated in cooperative initiatives related to the radio

system replacement, Washington County's EMS Alliance and other state and local partnerships. Work continued to support operational enhancements through firefighters, response units, and fire stations, and ongoing resident public safety education and messaging.

## **Other Information**

### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Tualatin Valley Fire and Rescue for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. This was the 35<sup>th</sup> consecutive year that the District has achieved this prestigious award. To be awarded a Certificate of Achievement, the District must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The District believes that its current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and is submitting it to the GFOA to determine its eligibility for a certificate.

The GFOA also awarded the District with the Award for Outstanding Achievement in Popular Annual Financial Reporting for the eighth year in a row for its PAFR for the year ended June 30, 2021.

In addition, the District also received the GFOA's Award for Distinguished Budget Presentation for its annual appropriated budget for the budget year ended June 30, 2022. In order to qualify for the Distinguished Budget Presentation Award, the District's budget document was judged to be proficient in several categories including policy documentation, financial planning, and organization. This was the 35<sup>th</sup> year the District received the award.

### **Acknowledgments**

We express our sincere gratitude to the personnel of the Finance Division who prepared this report. We also would like to extend our appreciation to the Board of Directors, managers, employees, and residents of the District whose continuing support is vital to the financial and community affairs of the District.

Respectfully submitted,



Deric Weiss, Fire Chief  
Tualatin Valley Fire and Rescue





# Award



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Tualatin Valley Fire and Rescue  
A Rural Fire Protection District  
Oregon**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

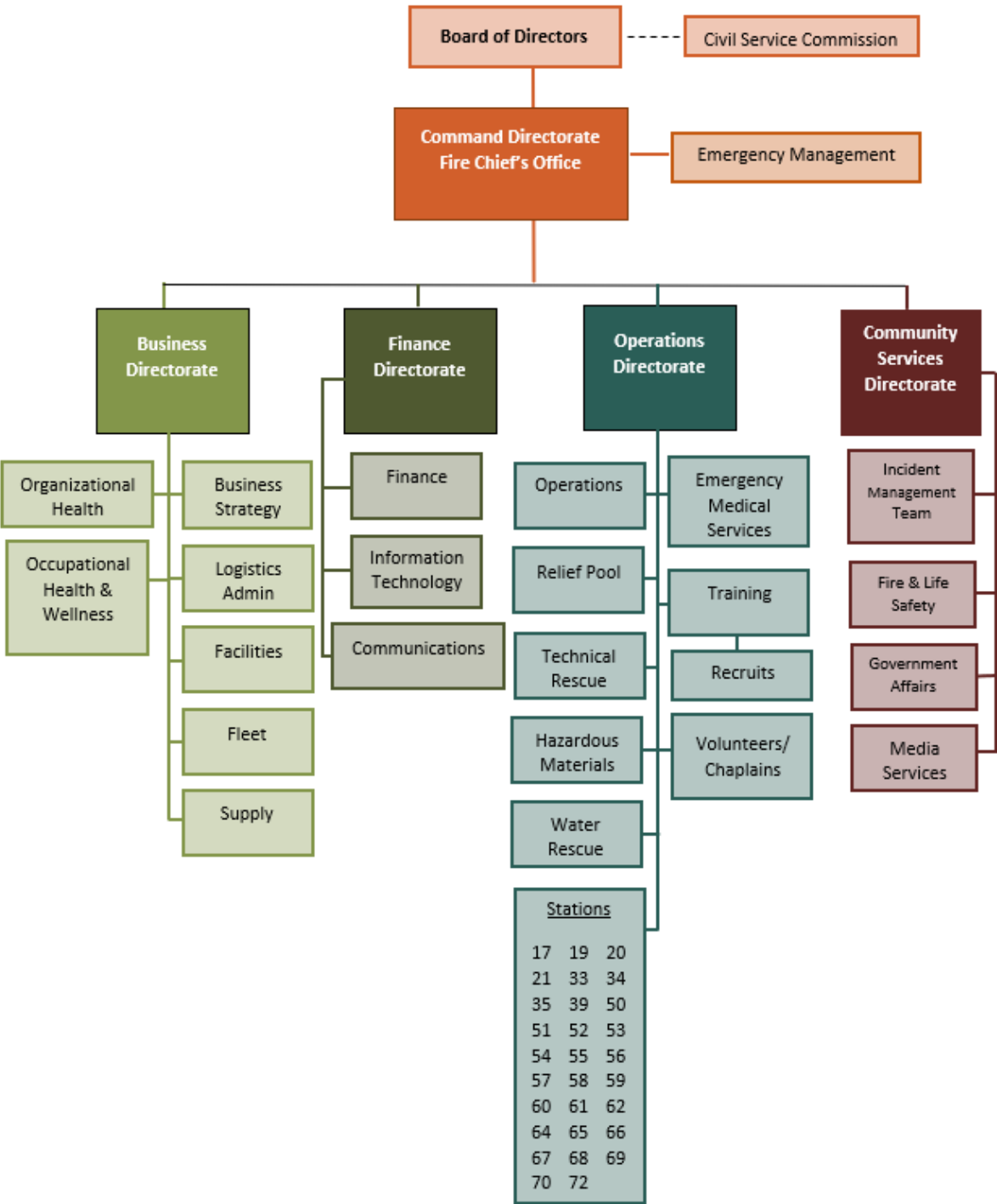
*Christopher P. Morrell*

Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement to Tualatin Valley Fire and Rescue, A Rural Fire Protection District, for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021.

This was the 35<sup>th</sup> consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the District must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

# Organizational Chart





# Board of Directors at June 30, 2022



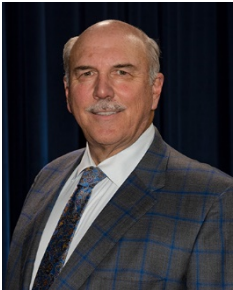
President  
Randy J. Lauer  
Term Ends:  
June 30, 2023



Vice President  
Gordon L. Hovies  
Term Ends:  
June 30, 2025



Secretary-Treasurer  
Justin J. Dillingham  
Term Ends:  
June 30, 2023



Director  
Clark I. Balfour  
Term Ends:  
June 30, 2025



Director  
Robert C. Wyffels  
Term Ends:  
June 30, 2025

## Budget Committee Members ---

Angie R. Fong  
Term Ends:  
June 30, 2024

Paul A. Leavy  
Term Ends:  
June 30, 2024

Michael T. Mudrow  
Term Ends:  
June 30, 2025

James W. Petrizzi  
Term Ends:  
June 30, 2023

Michael D. Smith  
Term Ends:  
June 30, 2025

## Registered Agent

Deric C. Weiss  
Fire Chief

## Legal Counsel ---

Innova Legal  
Advisors, Inc.

## Financial Section







Talbot, Korvola & Warwick, LLP 14945 SW Sequoia Parkway, Suite 150, Portland, Oregon 97224  
P 503.274.2849 F 503.274.2853 [www.tkw.com](http://www.tkw.com)

## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Tualatin Valley Fire and Rescue  
Tigard, Oregon

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Tualatin Valley Fire and Rescue, Tigard, Oregon, (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

The District's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

An independently owned member  
**RSM US Alliance**



RSM US Alliance is a premier affiliation of independent accounting and consulting firms. RSM US Alliance provides its members with access to resources of RSM US LLP. RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Visit [rsmus.com/aboutus](http://rsmus.com/aboutus) for more information regarding RSM US LLP and RSM International. RSM US®, the RSM US Alliance logo and the RSM US Alliance signatures are proprietary to RSM US LLP, while RSM™ is used under license by RSM US LLP.

## **INDEPENDENT AUDITOR'S REPORT (Continued)**

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as Management's Discussion and Analysis and the schedules and notes in the Required Supplementary Information section, as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



## **INDEPENDENT AUDITOR'S REPORT (Continued)**

### ***Other Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other schedules, as listed in the Table of Contents as Other Supplementary Information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Other Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the Introductory and Statistical sections, as listed in the Table of Contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection, with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by Oregon Minimum Standards**

In accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued our report dated October 20, 2022, on our consideration of the District'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.



For Talbot, Korvola & Warwick, LLP  
Portland, Oregon  
October 20, 2022



## Management's Discussion and Analysis

As management of Tualatin Valley Fire and Rescue (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages three through eight of this report.

### Financial Highlights

- In the government-wide financial statements, the assets and deferred outflows of the District exceeded its liabilities and deferred inflows at June 30, 2022 by \$63,061,796 (also defined as net position) which reflects an increase of net position of \$12,371,880. Of this amount, \$101,010,673 represents the District's net investment in capital assets; \$446,970 and \$2,014,892 are restricted for debt service and an OPEB asset, and the difference represents an unrestricted deficit net position of \$40,410,739 which is the part of net position that can be used to meet the District's ongoing services and commitments to its residents and obligations to its bondholders and creditors without constraint.
- The District's total net position increased by \$12,371,880 for the year ended June 30, 2022. Unrestricted deficit net position decreased by \$3,605,587, net investment in capital assets net position increased by \$7,261,509, and restricted net position increased by \$1,504,784.
- As of June 30, 2022, the District's governmental funds reported combined ending fund balances of \$127,613,404, an increase of \$57,734,339 in comparison with the prior year. The General Fund's fund balance decreased by \$533,941, the Capital Projects Fund's fund balance increased by \$57,637,929 as a result of a general obligation bond issuance, and there were net increases in ending fund balances of nonmajor funds of \$630,351.
- At June 30, 2022, the General Fund has an assigned fund balance which is identified for mitigation of future Oregon Public Employees Retirement System rate increases and totals \$3,000,000. The unassigned fund balance in the General Fund was \$51,132,934 and represents 35.7% of General Fund expenditures. This is shy of the District policy to maintain five months of budgetary basis General Fund expenditures as ending fund balance each year by 5.9%. This policy is in place because the majority of District revenue is provided from property taxes which are not received until the end of the fifth month of each succeeding fiscal year.
- The District's total debt increased by \$52,511,336 during the current fiscal year. This was due to bond issuance proceeds and premium of \$59,413,116; and recognition of the lease liability of \$2,652,970, offset by principal payments of \$8,730,000 and amortization of premiums of \$657,754 on the District's five outstanding general obligation bond issues and principal payments of \$166,996 on the lease payable.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements of the governmental funds, and 3) notes to the basic financial statements. The government-wide and fund financial statements are combined for presentation purposes. This report also contains required supplementary information and other supplementary 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 the District's finances in a manner similar to a private-sector business and include the Statement of Net Position and the Statement of Activities.

The Statement of Net Position presents information on all the District's assets and deferred outflows, and liabilities and deferred inflows, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

In the government-wide financial statements, the District's activities are shown in one category: governmental activities. The governmental activities of the District consist solely of public safety and are supported by property taxes and charges for services.

The combined government-wide and governmental fund financial statements can be found on pages 33 through 35 of this report.

### Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds. 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. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the District can be divided into three categories: governmental funds, a proprietary fund, and a fiduciary fund.

**Governmental Funds.** 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 information focuses on near-term inflows and outflows of

spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances are reconciled to the government-wide Statement of Net Position and Statement of Activities in the combined presentation.

The District maintains six individual governmental funds for reporting purposes. Information is presented separately in the governmental funds' Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and the Capital Projects Fund which are considered to be a major funds. Data from four additional governmental funds are combined into a separate aggregated presentation. Individual fund data for each of the remaining nonmajor governmental funds is provided as Other Supplementary Information. The District's implementation of Governmental Accounting Standards Board Statement No. 54 combines for reporting purposes as the General Fund, five separately budgeted funds.

The District adopts an annual appropriated budget for all funds as required by Oregon Budget Law. Budgetary comparison statements/schedules have been provided to demonstrate compliance elsewhere in this report.

**Proprietary Fund.** The District maintains one type of proprietary fund, the Insurance Fund, which is an internal service fund. This fund accounts for the accumulation of resources used for payment of claims and losses, less deductible limits, for insurance coverage. Because this fund predominately benefits governmental functions, it has been included within the governmental activities in the government-wide financial statements.

The internal service fund basic financial statements can be found on pages 38 through 40 of this report.

**Fiduciary Fund.** Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. The District maintains one type of fiduciary fund which is a custodial fund. The Custodial Fund has been established to account for the activities of the Tualatin Valley Fire & Rescue Volunteer Firefighters Association, a 501(c)4 non-profit organization, as well as other activities that are funded through community donations for social and community engagement. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of those funds are *not* available to support the District's own programs. The accounting for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund basic financial statements can be found on pages 41 and 42 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the combined government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 43 through 86 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's pension and OPEB schedules detailing ten



years of (assets)/liabilities and contributions. Required supplementary information can be found on pages 89 through 97 of this report.

Combining and individual fund schedules are presented as other supplementary information and can be found on pages 101 through 118 of this report. The Schedule of Property Tax Transactions and Outstanding Balances can be found on page 119 of this report.

### Government-wide Overall Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceed liabilities and deferred inflows by \$63,061,796 at June 30, 2022.

A significant portion of the District's net position (160%) reflects its net investment in capital assets (e.g., land, buildings and improvements, fire apparatus, furniture and equipment, and unspent bond proceeds); less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide fire and emergency medical services to the community; consequently, these assets are not available for future spending. This is offset by a deficit unrestricted net position of \$40,410,739 which reflects the District's obligations exceeding assets. The net decrease in net pension liability and related deferrals related to PERS at June 30, 2022 is \$5,377,855.

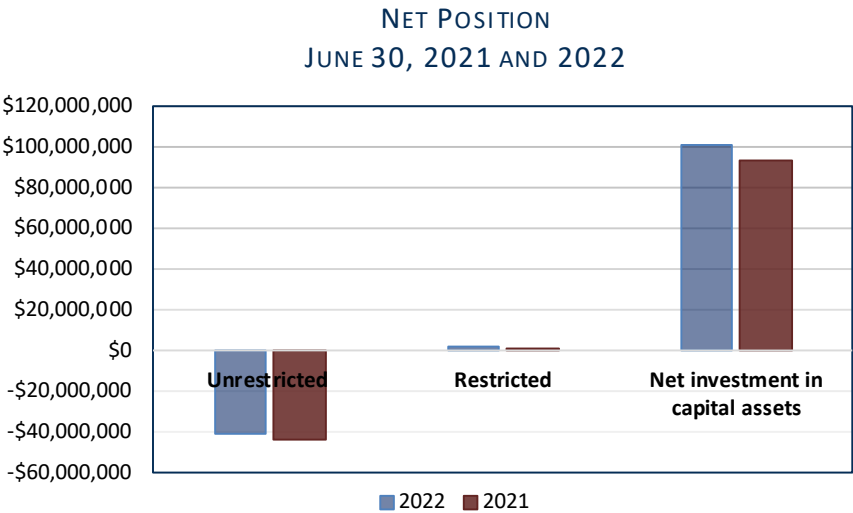
Assets consist of cash and cash equivalents, investments, property taxes and other receivables, and prepaid items that are used to meet the District's ongoing obligations to its community. Remaining assets are comprised of capital assets used in operations.

The District's largest liabilities (84%) are for the long-term portion of general obligation bonded debt, lease payables, and pension and OPEB liabilities. Current liabilities of the District consist largely of accounts payable, accrued salaries and benefits payable, accrued compensated absences and current portion of general obligation debt and lease payables.

#### Government-wide Financial Analysis

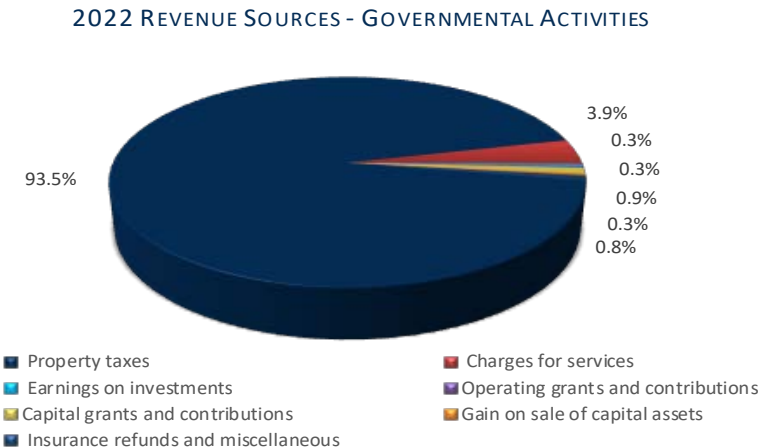
	Governmental Activities		Increase (Decrease) from Fiscal 2021
	2022	2021	
<b>Net Position:</b>			
Current and other assets	\$ 152,667,250	\$ 93,055,210	\$ 59,612,040
Capital assets	122,709,048	120,323,600	2,385,448
<i>Total assets</i>	<u>275,376,298</u>	<u>213,378,810</u>	<u>61,997,488</u>
Total deferred outflows of resources	66,299,345	74,420,997	(8,121,652)
Current liabilities	32,833,184	32,477,279	355,905
Long-term debt, pension, and OPEB liabilities	172,238,941	194,691,989	(22,453,048)
<i>Total liabilities</i>	<u>205,072,125</u>	<u>227,169,268</u>	<u>(22,097,143)</u>
Total deferred inflows of resources	73,541,722	9,940,623	63,601,099
Net investment in capital assets	101,010,673	93,749,164	7,261,509
Restricted	2,461,862	957,078	1,504,784
Unrestricted	(40,410,739)	(44,016,326)	3,605,587
<i>Total net position</i>	<u>\$ 63,061,796</u>	<u>\$ 50,689,916</u>	<u>\$ 12,371,880</u>

The changes in net position are shown in the following graph:

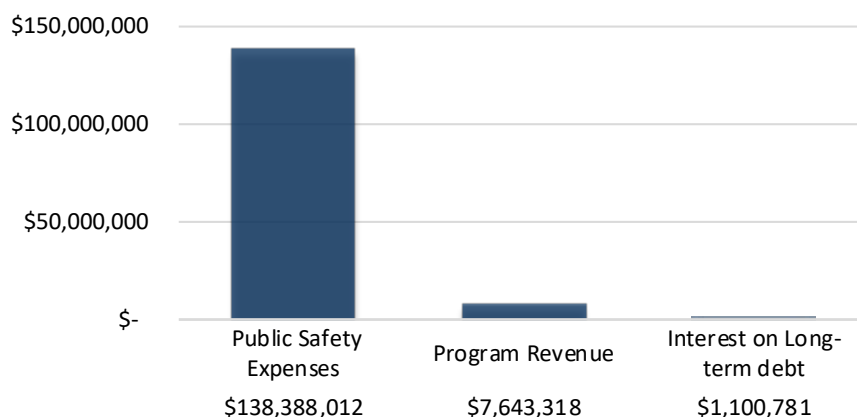


**Governmental Activities.** During the current fiscal year, the District’s net position increased by \$12,371,880. The main contributors to the overall increase in net position were the net effects of an increase of property taxes of \$4.9 million, an increase in charges for services of \$0.7 million from increased ambulance transport volume and related supplemental reimbursements, an increase in capital grant contributions of \$1.4 million from the acquisition of respiratory protection equipment, and an increase in gain on sales of capital assets of \$0.4 million driven by the sale of an in-field reporting software application, offset by a decrease in charges for services of \$2.3 million from the one-time COVID-19 vaccine administration fees from the prior year and a \$0.7 million decrease from wildfire response reimbursements, a decrease in operating grants of \$1.7 million from FEMA grants related to COVID-19 in 2021, a decrease in operating grants of \$0.9 million from a FEMA grant for the Chehalem Mountain Fire in 2021, and a decrease of \$0.6 million in investment earnings, insurance dividends and refunds and miscellaneous revenue.

Changes in overall expenses saw a decrease of \$22.3 million due to decreases in public safety expenses of \$22.6 million, which resulted from the net effects of a combined increase of \$1.7 million in personnel services and materials and services, offset by a decrease of \$24 million in actuarial calculated total pension expense, and an increase of \$0.3 million in interest expense for debt service.



## 2022 EXPENSES AND PROGRAM REVENUES - GOVERNMENTAL ACTIVITIES



### Government-wide Financial Analysis

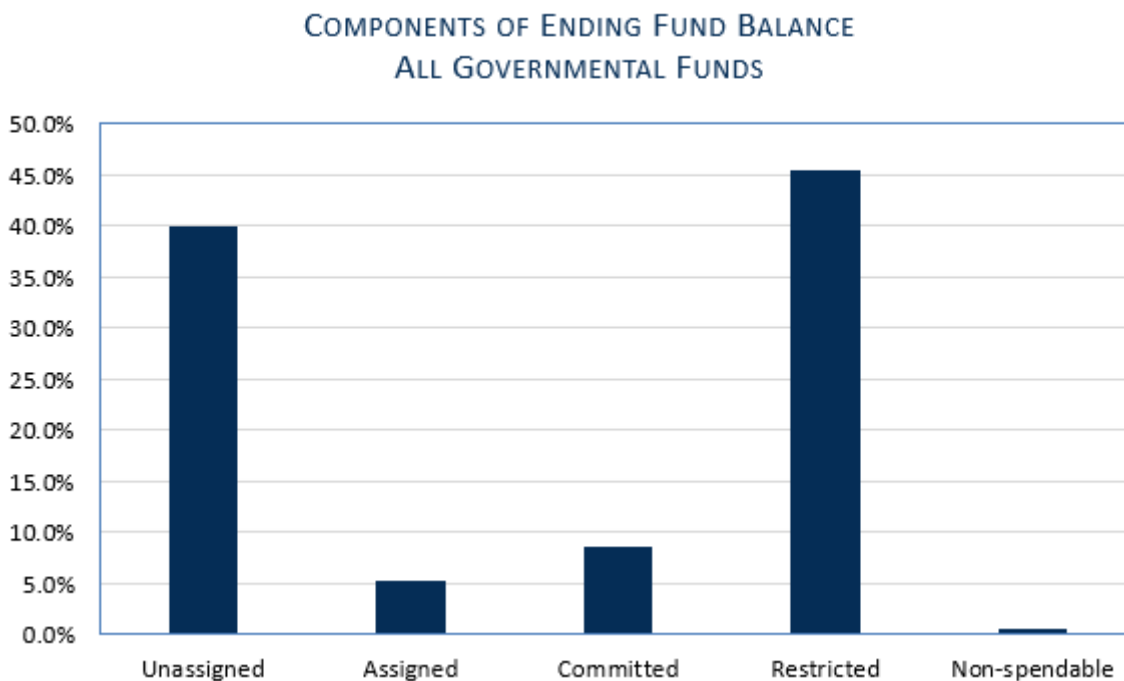
	Governmental Activities		Increase (Decrease) from Fiscal 2021
Changes in Net Position:	2022	2021	
<b>Revenues</b>			
Program revenues			
Charges for services	\$ 5,872,742	\$ 8,738,228	\$ (2,865,486)
Operating grants and contributions	402,535	2,893,180	(2,490,645)
Capital grants and contributions	1,368,041	-	1,368,041
General revenues:			
Property taxes	142,036,014	137,046,296	4,989,718
Earnings on investments	480,145	653,058	(172,913)
Insurance refunds	882,517	1,187,165	(304,648)
Gain on sale of capital assets	497,975	80,054	417,921
Miscellaneous	320,704	475,076	(154,372)
Total revenues	151,860,673	151,073,057	787,616
<b>Expenses</b>			
Public safety-fire protection	138,388,012	160,985,973	(22,597,961)
Interest on long-term debt	1,100,781	819,514	281,267
Total expenses	139,488,793	161,805,487	(22,316,694)
Change in net position	12,371,880	(10,732,430)	23,104,310
Net position - beginning of year	50,689,916	61,422,346	(10,732,430)
Net position - end of year	\$ 63,061,796	\$ 50,689,916	\$ 12,371,880

## Financial Analysis of the Governmental Funds

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

**Governmental Funds.** The focus of the District's governmental funds is to provide information on short-term and deferred inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2022, the District's governmental funds reported combined ending fund balances of \$127,613,404, an increase of \$57,734,339, from the prior year's balance. This increase is primarily a result of the balance of unspent bond proceeds restricted for future capital acquisitions of \$57,637,929 generated from a general obligation bond sale in March 2022. Of this total amount (40.1%) constitutes unassigned fund balance, which is a measure of the District's liquidity; and is available for spending at the District's discretion. The remainder of fund balance is either non-spendable (.5%), restricted by external parties and covenants (45.5%), committed by the Board of Directors (8.7%) or assigned to a specific purpose such as capital projects (5.2%). The components of governmental funds ending fund balance is depicted below:



**General Fund.** The General Fund is the primary operating fund of the District. As of June 30, 2022, unassigned fund balance of the General Fund was \$51,132,934, with total fund balance of \$63,106,243. This balance is comprised of \$7,946,391 committed to future capital purchases, \$389,037 committed to the Volunteer LOSAP Plan, \$3,000,000 assigned to fund the PERS pension obligation and \$637,881 of non-spendable fund balance. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 35.7% of total General Fund expenditures and the total fund balance represents 44.1% of total General Fund expenditures.

The fund balance of the District's General Fund decreased by \$533,941, or approximately 0.8% during the current fiscal year. Property tax revenue, which provides for the costs of operating the District, increased \$4,223,688 over the prior year. Charges for services saw an increase of \$472,667 mostly driven by increased medical transport volume and collections of COVID-19 vaccine administration revenues offset by a decrease in wildland fire conflagration deployments; operating grants and contributions decreased by \$673,467 mostly due to a FEMA reimbursement received this year for response to a wildfire incident within District boundaries, offset by reimbursements for COVID-19 related expenditures in the previous year; insurance dividends and refunds decreased \$407,698 over the prior year; investment earnings decreased by \$215,752; and miscellaneous revenues decreased by \$40,016.

Public Safety, debt service, and capital outlay expenditures increased \$1,993,608 overall which reflects increases in salaries and benefits and an increase in capital outlay. Transfers out to other funds decreased by \$800,000.

**Capital Projects Fund.** The Capital Projects Fund is funded by the proceeds from the sale of general obligation bonds approved by the voters in November 2021. The District will utilize the bond proceeds for fire station construction and improvements, replacement of emergency response apparatus, safety upgrades for the training center facility, acquire land for future fire stations, and bond issuance costs. The ending fund balance at June 30, 2022 of \$57,637,929 is restricted for capital projects. The fund balance was derived from the issuance of general obligation bonds in March 2022 which generated \$49,730,000 in proceeds and \$9,683,116 in premium from debt issuance offset by bond issuance costs, and capital outlay expenditures of \$1,603,403 for emergency vehicle apparatus and station pre-construction costs.

### **Budgetary Highlights and Analysis**

There were two budget transfer resolutions for the General Fund and one for the Capital Projects Fund during the year. The General Fund budget transfers reallocated expenses associated with a directorate reorganization, appropriated additional amounts for personnel services for costs associated with increased workers compensation premiums, and additional capital outlay for the impacts of implementing Governmental Accounting Standards Board statement number 87 "Leases", which in general requires that the present value of lease payments for newly executed leases be reported as capital outlay. The Capital Projects Fund resolution authorized materials and services, capital outlay, and contingency as a result of the issuance of general obligation bonds.

### **Capital Assets and Debt Administration**

**Capital assets.** The District's investment in capital assets consists of land, buildings and improvements, fire apparatus and other vehicles, furniture, fixtures and equipment, right-to-use buildings and equipment, and construction in progress. As of June 30, 2022, the District had invested \$122,709,048 in capital assets, net of depreciation and amortization, as shown in the following table and chart:



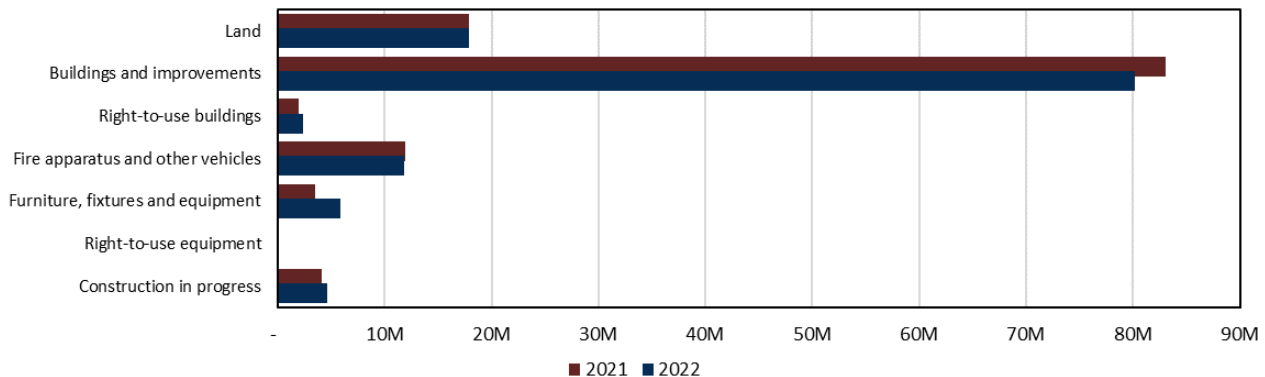
### Capital Assets:

(net of depreciation/amortization)	2022	2021 <sup>(1)</sup>	Increase (Decrease) from Fiscal 2021
Land	\$ 17,833,633	\$ 17,833,633	\$ -
Buildings and improvements	80,175,070	83,067,257	(2,892,187)
Right-to-use buildings	2,344,261	1,904,056	440,205
Fire apparatus and other vehicles	11,761,771	11,901,085	(139,314)
Furniture, fixtures and equipment	5,880,238	3,432,589	2,447,649
Right-to-use equipment	103,343	-	103,343
Construction in progress	4,610,732	4,089,036	521,696
Total	<u>\$ 122,709,048</u>	<u>\$ 122,227,656</u>	<u>\$ 481,392</u>

(1) Restated for implementation of GASB 87, *Leases*

A comparison of capital assets from the prior year to the current year is shown below:

#### CAPITAL ASSETS (NET OF DEPRECIATION/AMORTIZATION)

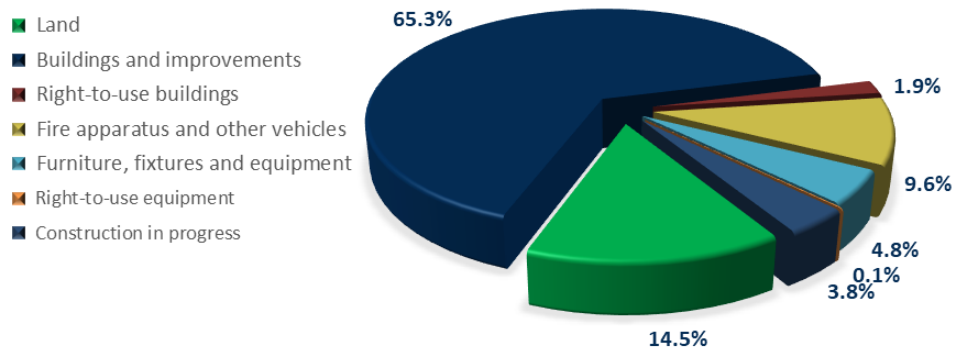


During the year, the District's investment in capital assets increased by \$481,392, reflecting assets of \$7,838,473 added during the year, offset by \$6,853,596 of depreciation and amortization and \$503,485 of disposals net of related depreciation. Capital assets added during the year included firefighting apparatus and equipment, respiratory protection equipment, information technology hardware, EMS equipment for patient care, and physical fitness and firefighter training equipment.

The District's construction in progress includes several emergency response apparatus and vehicles and EMS equipment being prepared for deployment.

Additional information on the District's capital assets can be found in the notes to the basic financial statements on page 59 of this report.

CAPITAL ASSETS AT 6/30/22 (NET OF DEPRECIATION/AMORTIZATION)



**Long-term Debt.** At the end of the current fiscal year, the District had total bonded debt of \$78,120,688, consisting of general obligation bonds and unamortized premiums. The increase in debt relates to the issuance of general obligation bonds with a par amount of \$49.7 million and a premium of \$9.7 million offset by scheduled principal payments throughout the year. The District has been affirmed at an “Aaa” rating from Moody’s Investors Service. The State of Oregon mandates a general obligation debt limit of 1.25% of true cash value of assessed property. The District’s legal debt margin is approximately \$1.6 billion. Additional information on the District’s long-term obligations can be found on pages 62 through 64 of this report.

### Economic Factors and Next Year’s Budget

The District’s service area is 390 square miles and has a population of just under 543,000. The population in the region is expected to continue to grow over the next few decades, which is one reason that the District has purchased land for future fire station sites and is actively seeking additional sites utilizing proceeds from general obligation bond issuances. Staff is working proactively and cooperatively with other governments and regional planning groups to ensure continued ability to serve this future population.

The District anticipates increased property tax revenues in future years based upon projected assessed value increases which by law generally may increase for existing property at three percent per year unless assessed value exceeds real market value. Assessed value is forecast to continue to grow for 2022-23 based upon continued strength in the residential and multi-family real estate market and increased commercial development. Construction and development within District boundaries are expected to continue with numerous projects slated for the future.

The District, through its broad geographic area, serves a strong part of Oregon’s economic base. The District unemployment numbers continue to rebound from the highs of the COVID-19 pandemic. June 2022 unemployment has moved to 2.9% from 4.9% from the same time last year. It is unknown at this time what the long-term impacts of the pandemic will have on employment, new construction and property values.

**Requests for Information**

This financial report is designed to provide a general overview of Tualatin Valley Fire and Rescue's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, Tualatin Valley Fire and Rescue, 11945 SW 70th Avenue, Tigard, Oregon 97223.



# Basic Financial Statements







**Tualatin Valley Fire and Rescue**  
**Balance Sheet - Governmental Funds/**  
**Statement of Net Position**  
June 30, 2022

	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds	Adjustments	Statement of Net Position
<b>Assets</b>						
Cash and cash equivalents	\$ 68,330,441	\$ 9,516,770	\$ 6,805,337	\$ 84,652,548	\$ 637,125	\$ 85,289,673
Investments	7,673,170	48,009,993	-	55,683,163	-	55,683,163
Receivables:						
Property taxes receivable	2,524,665	-	184,479	2,709,144	-	2,709,144
Other receivables (net of allowances)	1,191,687	155,262	162,277	1,509,226	475	1,509,701
Prepaid items	-	-	-	-	3,834,656	3,834,656
Supplies inventory	637,881	-	-	637,881	-	637,881
Other asset	-	-	-	-	988,140	988,140
Net PERS RHIA OPEB asset	-	-	-	-	2,014,892	2,014,892
Capital assets, not being depreciated:						
Land	-	-	-	-	17,833,633	17,833,633
Other capital assets	-	-	-	-	231,000	231,000
Construction in progress	-	-	-	-	4,610,732	4,610,732
Capital assets, net of accumulated depreciation:						
Buildings and improvements	-	-	-	-	82,519,331	82,519,331
Fire apparatus and other vehicles	-	-	-	-	11,530,771	11,530,771
Furniture, fixtures, and equipment	-	-	-	-	5,983,581	5,983,581
Total assets	80,357,844	57,682,025	7,152,093	145,191,962	130,184,336	275,376,298
<b>Deferred Outflows of Resources</b>						
Deferred refunding charge	-	-	-	-	1,270,358	1,270,358
PERS RHIA OPEB	-	-	-	-	223,401	223,401
Single employer plan OPEB	-	-	-	-	258,536	258,536
Multiple employer cost-sharing plan OPEB	-	-	-	-	7,423,253	7,423,253
PERS Pension related deferred outflows	-	-	-	-	57,123,797	57,123,797
Total deferred outflows of resources	-	-	-	-	66,299,345	66,299,345
<b>Total assets and deferred outflows</b>	<b>\$ 80,357,844</b>	<b>\$ 57,682,025</b>	<b>\$ 7,152,093</b>	<b>\$ 145,191,962</b>	<b>\$ 196,483,681</b>	<b>341,675,643</b>
<b>Liabilities</b>						
Accounts payable	\$ 3,723,979	\$ 44,096	\$ 5,708	\$ 3,773,783	\$ 19,201	\$ 3,792,984
Accrued salaries and benefits payable	10,783,283	-	-	10,783,283	-	10,783,283
Accrued interest payable	-	-	-	-	857,188	857,188
Long-term liabilities:						
Due within one year - bonds, leases, compensated absences	-	-	-	-	17,399,729	17,399,729
Due in more than one year:						
Bonds, leases, compensated absences	-	-	-	-	73,901,713	73,901,713
Total OPEB liability - single employer plan	-	-	-	-	699,217	699,217
Total OPEB liability - multiple employer cost-sharing plan	-	-	-	-	18,107,681	18,107,681
Total pension liability (LOSAP)	-	-	-	-	255,174	255,174
Total pension liability (Pension Plan)	-	-	-	-	222,699	222,699
Net pension liability (PERS)	-	-	-	-	79,052,457	79,052,457
Total liabilities	14,507,262	44,096	5,708	14,557,066	190,515,059	205,072,125
<b>Deferred Inflows of Resources</b>						
Unavailable revenue - property taxes	2,176,731	-	159,953	2,336,684	(2,336,684)	-
Unavailable revenue - transport and vaccine distribution	411,334	-	-	411,334	(411,334)	-
Unavailable revenue - FEMA claim	88,199	-	-	88,199	(88,199)	-
Unavailable revenue - other	68,075	-	117,200	185,275	(185,275)	-
PERS RHIA OPEB related inflows	-	-	-	-	976,696	976,696
Single employer plan OPEB related inflows	-	-	-	-	349,094	349,094
Multiple employer cost-sharing plan OPEB related inflows	-	-	-	-	745,930	745,930
PERS Pension related deferred inflows	-	-	-	-	71,470,002	71,470,002
Total deferred inflows of resources	2,744,339	-	277,153	3,021,492	70,520,230	73,541,722

(Continued)

The notes to the basic financial statements are an integral part of this statement.

**Tualatin Valley Fire and Rescue**  
**Balance Sheet - Governmental Funds/**  
**Statement of Net Position (continued)**  
June 30, 2022

	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds	Adjustments	Statement of Net Position
<b>Fund balances:</b>						
Non-spendable	\$ 637,881	\$ -	\$ -	\$ 637,881	\$ (637,881)	
Restricted for capital projects	-	57,637,929	-	57,637,929	(57,637,929)	
Restricted for debt service	-	-	446,970	446,970	(446,970)	
Committed to MERRC	-	-	2,627,931	2,627,931	(2,627,931)	
Committed to grants	-	-	109,267	109,267	(109,267)	
Committed to capital purchases	7,946,391	-	-	7,946,391	(7,946,391)	
Committed to Volunteer LOSAP	389,037	-	-	389,037	(389,037)	
Assigned to capital projects	-	-	3,685,064	3,685,064	(3,685,064)	
Assigned to PERS reserve	3,000,000	-	-	3,000,000	(3,000,000)	
Unassigned	51,132,934	-	-	51,132,934	(51,132,934)	
Total fund balances	63,106,243	57,637,929	6,869,232	127,613,404	\$ (127,613,404)	
<b>Total liabilities, deferred inflows, and fund balances</b>	<u>\$ 80,357,844</u>	<u>\$ 57,682,025</u>	<u>\$ 7,152,093</u>	<u>\$ 145,191,962</u>		
<b>Net Position:</b>						
Net investment in capital assets						\$ 101,010,673
Restricted for:						
Debt service						446,970
Net PERS RHIA OPEB asset						2,014,892
Unrestricted						(40,410,739)
Total net position						<u>\$ 63,061,796</u>

The notes to the basic financial statements are an integral part of this statement.

**Tualatin Valley Fire and Rescue**  
**Statement of Governmental Fund Revenues, Expenditures, Other Financing Sources (Uses)**  
**and Changes in Fund Balances/Statement of Activities**  
For the Year Ended June 30, 2022

	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds	Adjustments	Statement of Activities
<b>Revenues</b>						
Program Revenues:						
Charges for services	\$ 7,011,981	\$ -	\$ 1,380	\$ 7,013,361	\$ (1,140,619)	\$ 5,872,742
Program fees	-	-	570,183	570,183	(570,183)	-
Operating grants and contributions	1,212,244	-	8,143	1,220,387	(817,852)	402,535
Capital grants and contributions	-	-	-	-	1,368,041	1,368,041
General Revenues:						
Property taxes	132,432,468	-	9,502,737	141,935,205	100,809	142,036,014
Investment earnings	343,607	73,633	59,180	476,420	3,725	480,145
Insurance dividends and refunds	693,889	-	145,405	839,294	43,223	882,517
Gain on sale of capital assets	-	-	-	-	497,975	497,975
Miscellaneous	307,741	-	-	307,741	12,963	320,704
Total revenues	142,001,930	73,633	10,287,028	152,362,591	(501,918)	151,860,673
<b>Expenditures/expenses</b>						
Current:						
Public Safety	137,939,907	245,417	14,708	138,200,032	187,980	138,388,012
Debt service:						
Principal	166,996	-	8,730,000	8,896,996	(8,896,996)	-
Interest	25,239	-	798,748	823,987	276,794	1,100,781
Capital outlay	4,979,170	1,603,403	313,221	6,895,794	(6,895,794)	-
Total expenditures/expenses	143,111,312	1,848,820	9,856,677	154,816,809	(15,328,016)	139,488,793
Excess (deficiency) of revenues over (under) expenditures/expenses	(1,109,382)	(1,775,187)	430,351	(2,454,218)	14,826,098	12,371,880
<b>Other Financing Sources (Uses)</b>						
Transfers in	-	-	200,000	200,000	(200,000)	-
Transfers out	(200,000)	-	-	(200,000)	200,000	-
Proceeds on sale of surplus property	26,527	-	-	26,527	(26,527)	-
Lease financing	748,914	-	-	748,914	(748,914)	-
Proceeds from debt issuance	-	49,730,000	-	49,730,000	(49,730,000)	-
Premium from debt issuance	-	9,683,116	-	9,683,116	(9,683,116)	-
Total other financing sources (uses)	575,441	59,413,116	200,000	60,188,557	(60,188,557)	-
Net change in fund balances/net position	(533,941)	57,637,929	630,351	57,734,339	(45,362,459)	12,371,880
<b>Fund balances/net position</b>						
Beginning of the year	63,640,184	-	6,238,881	69,879,065	(19,189,149)	50,689,916
End of the year	\$ 63,106,243	\$ 57,637,929	\$ 6,869,232	\$ 127,613,404	\$ (64,551,608)	\$ 63,061,796

The notes to the basic financial statements are an integral part of this statement.

# Tualatin Valley Fire and Rescue

## General Fund

### Statement of Revenues, Expenditures, Other Financing Sources (Uses), and Changes in Fund Balances - Budget and Actual For the Year Ended June 30, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>Revenues</b>				
Property taxes:				
Current year's levy	\$ 130,041,077	\$ 130,041,077	\$ 130,651,153	\$ 610,076
Prior years' levies	980,317	980,317	1,284,944	304,627
Taxes in lieu of property taxes	16,150	16,150	112,942	96,792
Forest revenues	26,010	26,010	383,429	357,419
Interest on taxes	60,000	60,000	95,312	35,312
Investment earnings	500,000	500,000	273,696	(226,304)
Charges for services	5,462,047	5,462,047	6,937,161	1,475,114
Rental income	59,000	59,000	74,820	15,820
Grants and contributions	25,000	25,000	1,212,244	1,187,244
Insurance dividends and refunds	260,000	260,000	693,889	433,889
Miscellaneous	289,950	289,950	307,741	17,791
Total revenues	<u>137,719,551</u>	<u>137,719,551</u>	<u>142,027,331</u>	<u>4,307,780</u>
<b>Expenditures</b>				
Current:				
<b>Public Safety</b>				
<b>Command Directorate:</b>				
Personnel services	3,155,815	3,359,069	2,860,399	498,670
Materials and services	1,376,428	1,399,668	1,072,987	326,681
Capital outlay	-	61,975	57,600	4,375
Debt service	-	2,075	2,065	10
Total Command Directorate	<u>4,532,243</u>	<u>4,822,787</u>	<u>3,993,051</u>	<u>829,736</u>
<b>Business Directorate:</b>				
Personnel services	8,619,646	8,619,646	7,671,582	948,064
Materials and services	3,334,527	3,228,502	2,631,424	597,078
Capital outlay	-	30,350	28,207	2,143
Debt service	-	106,025	105,172	853
Total Business Directorate	<u>11,954,173</u>	<u>11,984,523</u>	<u>10,436,385</u>	<u>1,548,138</u>
<b>Finance Directorate:</b>				
Personnel services	4,131,841	4,131,841	3,939,443	192,398
Materials and services	6,174,749	6,174,749	5,112,490	1,062,259
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total Finance Directorate	<u>10,306,590</u>	<u>10,306,590</u>	<u>9,051,933</u>	<u>1,254,657</u>
<b>Operations Directorate:</b>				
Personnel services	102,853,034	103,972,235	103,633,422	338,813
Materials and services	4,172,399	4,280,872	3,688,428	592,444
Capital outlay	-	936,350	652,557	283,793
Debt service	-	85,400	84,620	780
Total Operations Directorate	<u>107,025,433</u>	<u>109,274,857</u>	<u>108,059,027</u>	<u>1,215,830</u>
<b>Support Directorate:</b>				
Personnel services	272,455	-	-	-
Materials and services	219,188	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total Support Directorate	<u>491,643</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Continued)

The notes to the basic financial statements are an integral part of this statement.

# Tualatin Valley Fire and Rescue

## General Fund

### Statement of Revenues, Expenditures, Other Financing Sources (Uses), and Changes in Fund Balances - Budget and Actual (continued) For the Year Ended June 30, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>Community Services Directorate:</b>				
Personnel services	6,056,264	6,056,264	5,640,238	416,026
Materials and services	455,007	454,607	292,991	161,616
Capital outlay	-	11,350	10,550	800
Debt service	-	400	378	22
Total Community Services Directorate	<u>6,511,271</u>	<u>6,522,621</u>	<u>5,944,157</u>	<u>578,464</u>
<b>Total Public Safety</b>	140,821,353	142,911,378	137,484,553	4,848,361
 Operating contingency	<u>5,142,000</u>	<u>4,092,000</u>	<u>-</u>	<u>4,092,000</u>
Total expenditures	<u>145,963,353</u>	<u>147,003,378</u>	<u>137,484,553</u>	<u>8,940,361</u>
 Excess (deficiency) of revenues over (under) expenditures	<u>(8,243,802)</u>	<u>(9,283,827)</u>	<u>4,542,778</u>	<u>13,248,141</u>
 <b>Other Financing Sources (Uses)</b>				
Transfers out	(5,107,257)	(5,107,257)	(5,105,333)	1,924
Proceeds on sale of surplus property	25,000	25,000	11,002	(13,998)
Lease inception	-	1,040,025	748,914	(291,111)
Total other financing sources (uses)	<u>(5,082,257)</u>	<u>(4,042,232)</u>	<u>(4,345,417)</u>	<u>(303,185)</u>
 Net change in fund balance	(13,326,059)	(13,326,059)	197,361	13,523,420
 Fund balance, June 30, 2021	<u>53,370,643</u>	<u>53,370,643</u>	<u>54,573,454</u>	<u>1,202,811</u>
Fund balance, June 30, 2022	<u>\$ 40,044,584</u>	<u>\$ 40,044,584</u>	<u>\$ 54,770,815</u>	<u>\$ 13,523,420</u>

#### Reconciliation of Budgetary Fund Balance to GAAP Fund Balance

Fund Balance - budgetary basis	\$ 54,770,815
 Fund Balance - Apparatus Fund <sup>(1)</sup>	3,456,456
Fund Balance - Capital Improvements Fund <sup>(1)</sup>	4,489,935
Fund Balance - Volunteer LOSAP Fund <sup>(1)</sup>	<u>389,037</u>
 Fund Balance - GAAP Basis	<u>\$ 63,106,243</u>

<sup>(1)</sup> Refer to page for 114 combining funds schedule.

The notes to the basic financial statements are an integral part of this statement.



# Tualatin Valley Fire and Rescue

## Statement of Net Position

### Proprietary Fund

June 30, 2022

	<i>Governmental Activities</i>	<i>Internal Service Fund</i>
<b>Assets</b>		
Current:		
Cash and cash equivalents	\$ 637,125	
Accounts receivable	475	
Total assets	<u>637,600</u>	
<b>Liabilities</b>		
Current:		
Accounts payable	19,201	
Total liabilities	<u>19,201</u>	
<b>Net Position</b>		
Unrestricted net position	\$ <u>618,399</u>	

The notes to the basic financial statements are an integral part of this statement.

## Tualatin Valley Fire and Rescue

### Statement of Revenues, Expenses, and Changes in Net Position

#### Proprietary Fund

For the Year Ended June 30, 2022

	<i>Governmental Activities</i>	<i>Internal Service Fund</i>
<b>Operating Revenue</b>		
Insurance refunds	\$ 84,751	
<b>Operating Expense</b>		
Insurance claims		<u>108,431</u>
Operating loss		(23,680)
<b>Nonoperating Revenue</b>		
Investment earnings		<u>3,725</u>
Change in net position		(19,955)
Net position, June 30, 2021		<u>638,354</u>
Net position, June 30, 2022		<u><u>\$ 618,399</u></u>

The notes to the basic financial statements are an integral part of this statement.

# Tualatin Valley Fire and Rescue

## Statement of Cash Flows

### Proprietary Fund

For the Year Ended June 30, 2022

	<i>Governmental Activities</i>
	<i>Internal Service Fund</i>
<b>Cash Flows From Operating Activities</b>	
Received from insurance reimbursements and refunds	\$ 84,751
Paid for insurance claims	(105,699)
Net cash from operating activities	(20,948)
<b>Cash Flows From Investing Activities</b>	
Interest received on investments	3,725
Net decrease in cash and cash equivalents	(17,223)
Cash and cash equivalents, June 30, 2021	654,348
Cash and cash equivalents, June 30, 2022	\$ 637,125
<b>Reconciliation of operating loss to net cash from operating activities</b>	
Operating loss	\$ (23,680)
Decrease in accounts receivable	13,092
Decrease in accounts payable	(10,360)
Net cash from operating activities	\$ (20,948)

The notes to the basic financial statements are an integral part of this statement.

# Tualatin Valley Fire and Rescue

## Statement of Fiduciary Net Position

### Fiduciary Fund

June 30, 2022

	Custodial Fund
<b>Assets</b>	
Cash and cash equivalents	\$ 162,198
Accounts receivable	4,080
Total assets	<u>166,278</u>
<b>Liabilities</b>	
Accounts payable	3,921
Total liabilities	<u>3,921</u>
<b>Net Position</b>	
Restricted for other organizations	162,357
Total net position	<u>\$ 162,357</u>

The notes to the basic financial statements are an integral part of this statement.

## Tualatin Valley Fire and Rescue

### Statement of Changes in Fiduciary Net Position

#### Fiduciary Fund

For the Year Ended June 30, 2022

	Custodial Fund
<b>Additions</b>	
Donations	\$ 42,963
Total additions	<u>42,963</u>
<b>Deductions</b>	
Payments for fiduciary activities	<u>37,468</u>
Total deductions	<u>37,468</u>
Net increase in fiduciary net position	5,495
Net position - June 30, 2021	<u>156,862</u>
Net position - June 30, 2022	<u><u>\$ 162,357</u></u>

The notes to the basic financial statements are an integral part of this statement.

**I. Summary of significant accounting policies**

The financial statements of Tualatin Valley Fire and Rescue, a Rural Fire Protection District, Oregon (the District) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). GAAP statements require the application of all relevant Governmental Accounting Standards Board (GASB) pronouncements.

**A. Reporting entity**

The District is an Oregon municipal corporation operating under Oregon Revised Statutes Chapter 478 as a Rural Fire Protection District and provides fire protection within Washington, Clackamas, Multnomah and Yamhill counties.

The power and authority given to the District is vested in a Board of Directors, each member elected for a four-year term. The Board of Directors has the statutory authority to adopt and modify the budget; levy taxes; control all assets, including facilities and properties; authorize borrowing or long-term debt issuances; sign contracts, and develop the programs to be provided to the residents of the District. The responsibility and accountability over all funds and fiscal matters are vested in the Board of Directors. The District is responsible for its debts and is entitled to surpluses. No separate agency receives a financial benefit from nor imposes a financial burden on the District.

The Board of Directors appoints the Fire Chief of the District. The activities under the purview of the Fire Chief are within the scope of the reporting entity and the Fire Chief is accountable to the Board of Directors for the activities being managed.

The District is the primary, special purpose government responsible for all fire protection within its service area. As a result, all significant activities have been included in the government-wide financial statements. The District's financial statements represent those of a stand-alone government, as there are no component units.

The Community Assistance Fund (the Fund), a nonprofit 501(c)(3), was established in 2001 to assist those in the community suffering from recent displacement and hardship. Current employees of the District serve on the Fund's Board of Directors. District management can direct the use and exchange of the Fund's assets. For the fiscal year ended June 30, 2022, the transactions between the District and the Fund are deemed to be immaterial; therefore, the Fund is not reported as a component unit of the District.

**B. Basis of presentation – government-wide and fund financial statements**

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.



Government-wide financial statements display information about the District as a whole. The effect of interfund activity has been removed from these statements except for interfund services provided and used and reimbursements between funds which if eliminated would distort the direct costs and program revenues reported for the various functions. These statements focus on the sustainability of the District 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 and the Statement of Activities.

The Statement of Net Position presents information on all the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between them reported as net position.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function, or segment, are 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 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. Taxes and other items not attributable to a specific program are reported as general revenues.

The entity-wide statements and governmental fund statements have been combined as allowed for single-purpose governmental activities. The Statement of Net Position and the Governmental Fund Balance Sheet have been combined into a single presentation, with adjustments indicated to move from fund totals to the entity-wide totals. Similarly, the Statement of Activities and the Governmental Funds Statement of Revenues, Expenditures, Other Financing Sources (Uses), and Changes in Fund Balances have also been combined. Eliminations have been made to minimize the double counting of internal activities. Governmental activities are financed primarily through property taxes, investment earnings, grants and contributions, and charges for services to other governments and for medical transport revenues.

Separate financial statements are provided for governmental funds and the proprietary fund and the latter is included in the government-wide financial statements.

### **C. Measurement focus, basis of accounting, and financial statement presentation**

The government-wide financial information (Statement of Net Position and Statement of Activities) is reported using the economic resources measurement focus and the accrual basis of accounting, as are the internal service fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Property taxes are recognized as revenues in the year for which they are levied. Grants are recognized as revenue as soon as all eligibility requirements have been met.

The governmental fund financial information uses a flow of current financial resources measurement focus. With this measurement focus, generally only current assets and current liabilities are included in the balance sheet. Operating statements for these funds present increases (e.g., revenues and other financing sources)

and decreases (e.g., expenditures and other financing uses) in fund balance. The governmental funds are maintained using the modified accrual basis of accounting, whereby revenues are recorded in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures are recorded at the time the related fund liabilities are incurred. Exceptions to this are: (1) interfund transactions for services, which are recorded on the accrual basis; (2) interest expense on long-term debt, including lease liabilities, which is recorded as due; (3) insurance premiums and other short-term contracts benefiting more than one fiscal year are recorded when paid; (4) accrued compensated absences, which are recorded when payment is due; and (5) postemployment benefits are recognized generally when payment is due. General capital asset acquisitions, including entering into contracts giving the District the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Revenue is determined to be measurable when the transaction amount is determinable and available when it is collectible within the current fiscal year or soon enough thereafter to pay liabilities of the current fiscal year. The District considers revenues available if they are collected within 45 days of fiscal year-end, with the exception of investment interest, which is recognized when earned. The most significant revenue source, which is measurable and available under the modified accrual basis of accounting, is property tax revenue. For the Internal Service Fund, a proprietary fund type, the District reports insurance refunds received, and claims paid as operating revenues and expenses, respectively. Other amounts are reported as non-operating.

The District reports the following major governmental funds:

- The General Fund; the District's primary operating fund, accounts for all financial resources of the District, except those required to be accounted for, either legally or by Board direction, in another fund. The principal revenue source is property taxes. Primary expenditures are for public safety. In addition, certain funds budgeted as Special Revenue Funds are reported as part of the General Fund because their primary source of funds consists of transfers from the General Fund, and certain funds budgeted as fiduciary funds are reported as part of the General Fund as they are not considered trust funds in an official capacity, nor do they have revenue sources apart from General Fund transfers and interest earnings.
- The Capital Projects Fund; a capital projects fund type, accounts for the general obligation bond debt issuances and the related site acquisitions and construction costs for new and existing facilities, as well as the purchase of public safety emergency response apparatus. The principal resources are proceeds from debt issuance.

Additionally, the District reports the following fund types:

- Non-major governmental funds, including special revenue, capital projects, and debt service funds, which are reported in the aggregate.
- A proprietary/internal service fund includes the District's Insurance Fund which is used to account for the accumulation of resources used for payment of claims and losses that are less than the

District's deductible limits for insurance coverage. The principal revenue sources are interest income and insurance refunds.

- A fiduciary fund includes the Custodial Fund which is used to account for the accumulation of resources for entities and/or persons outside of the District.

#### **D. Budgetary information**

The District budgets all funds in accordance with the requirements of state law. All funds are budgeted on the modified accrual basis of accounting, except for the Insurance, Pension, Volunteer LOSAP, and Custodial Funds which are budgeted on the accrual basis of accounting.

The Board of Directors adopts the original budget by resolution prior to the beginning of the District's fiscal year (July 1 through June 30). The Board resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. The expenditure budget for the General Fund is appropriated at the object classification level (i.e. material and services, capital outlay, contingencies) by directorate. The expenditure budget for the Capital Projects Fund is appropriated at the object classification level. The expenditure budgets for all other funds are appropriated at the program level for each individual fund. The detailed budget document contains more specific information for the above-mentioned expenditure categories, and management may revise the detailed line-item budgets within appropriation categories.

Unexpected additional resources may be added to the budget using a supplemental budget and appropriation resolution. Supplemental budgets less than 10 percent of the fund's original budget may be adopted by the Board of Directors at a regular Board meeting. A supplemental budget greater than 10 percent of the fund's original budget requires hearings before the public, publication of notice, and approval by the Board of Directors. The District authorized three budget amendments during the year ended June 30, 2022. Original and supplemental budgets may be modified using appropriation transfers between the levels of control. Such transfers require approval by the Board of Directors. Appropriations lapse at fiscal year-end.

#### **E. Assets, liabilities, deferred outflows/inflows of resources, and net position or fund balance**

##### **1. Cash and cash equivalents**

The District considers cash on hand, demand deposits, and short-term highly liquid investments with a maturity of three months or less from the date of acquisition to be cash and cash equivalents. Investments maintained in the Oregon Local Government Investment Pool (LGIP) are carried at cost, which approximates fair value, and are classified as a cash equivalent. Fair value of the investments in the LGIP is the same as the value of the pool shares.

## **2. Investments**

Investments are stated at fair value. Fair value is based on current market prices. Changes in the fair value of investments are recognized as income or loss. GASB Statement 72, *Fair Value Measurement and Application* provides a fair value hierarchy that prioritized the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements).

## **3. Receivables**

Receivables consist of property taxes, vaccine administration billings, conflagration deployment billings, hazardous materials response billings, interest, medical transport and other accounts receivable at year end.

Ambulance transport service receivables consist of charges to patients net of allowances for contractual discounts and uncompensated care which are based on management's estimates of collectability.

Vaccine administration receivables consist of charges to insurance providers net of uncompensated claims based on management's estimates of collectability.

Property taxes, all of which are receivable from property owners within the District, are assessed on January 1 and become a lien against the property as of July 1 each year. Taxes are payable in three installments on November 15, February 15, and May 15. Taxes unpaid and outstanding on May 15 are considered delinquent. At June 30, 2022, no allowance for doubtful accounts is considered necessary for property taxes.

## **4. Inventories and prepaid items**

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies. The costs of such inventories are recorded as expenditures when consumed (consumption method) rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide statements based on the purchases method.

## **5. Capital assets**

Capital assets, which include property, plant and equipment, are stated at cost in the government-wide financial statements. Donated assets and historical treasures are reported at their acquisition value at the date of donation. The District defines capital assets as assets with an initial cost of more than \$5,000 and an estimated useful life greater than one year. Improvements, which increase the service capacity or extend the useful life of an asset, are capitalized. Interest incurred during construction is not capitalized.

Maintenance, repairs, and equipment replacements of a routine nature are charged to expenditures/expenses as incurred and are not capitalized. Land, construction in progress, and certain historical treasures meeting certain criteria are not depreciated.

Capital assets, including right-to-use lease assets, are depreciated/amortized using the straight-line method over the following useful lives.

Buildings and improvements	15 – 30 years
Fire apparatus and other vehicles	5 – 25 years
Furniture, fixtures, and equipment	4 – 20 years
Right-to-use leased buildings	2 – 30 years
Right-to-use leased equipment	2 – 10 years

## **6. Long-term debt**

Long-term debt is reported as a liability in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the related debt using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial information, bond premiums and discounts are recognized when incurred. The face amount of the debt issued, premiums, and discounts received on debt issuances, are reported as other financing sources and uses. In accordance with GASB Statement 65, *Items Previously Reported as Assets and Liabilities*, bond issuance costs are expensed as incurred.

## **7. Deferred outflows/inflows of resources**

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has items that qualify for reporting in this category related to the District's participation in the Oregon Public Employees Retirement System (PERS) and the District's Other Post-Employment Benefits (OPEBs).

Another deferred outflow is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt, which varies from seven to twelve years depending on the refunded series.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of

resources (revenue) until that time. The District has items which arise only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, one item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The District reports unavailable revenues from four sources: property taxes, ambulance transport and vaccine distribution services, conflagration revenue, and other intergovernmental agreement charges for services and reimbursement programs. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Other deferred inflow items relate to the District's participation in PERS and the District's three OPEB plans.

#### **8. Net position flow assumption**

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

#### **9. Fund balance policies**

Fund balance classifications, as reported in the governmental funds, comprise a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed on the use of the resources reported. These classifications are:

- Nonspendable fund balance represents amounts that are not in a spendable form. The nonspendable fund balance represents inventories and any prepaid items.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The Board may commit fund balance by resolution. The Board may also modify or rescind commitments by resolution.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body. Both the Fire Chief and the Chief Financial Officer have been given this authority by Board resolution.



- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance.

The Board of Directors has approved the following order of spending regarding fund balance categories: restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and lastly, unassigned fund balance.

To preserve a sound financial system and to provide a stable financial base, the governing body has adopted a minimum ending fund balance policy specifying a balance in the budgetary basis General Fund targeted at five months of operating expenditures (approximately 42%). This amount is intended to provide “dry-period financing” during the first five months of each fiscal year before the receipt of property taxes each November. Additionally, the policy requires the maintenance of a fund balance in the Property and Building Fund sufficient to purchase land and develop a single fire station.

#### **10. Other asset**

Other asset reports the balance remaining available to the District to offset the costs of professional engineering and development services , and for maintenance fees, associated with the iPad application called 2iS, which is an in-field reporting tool designed to improve the workflow and efficiency of first responders.

#### **11. Leases**

Lessee:

The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$100,000 or more. Lease liabilities are recognized as the net present value of the lease payments expected to be made during the lease term, which is the noncancellable period of the lease. The lease liability is reduced by principal payments made. The lease asset is measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. The lease asset is amortized on a straight-line basis over its useful life.

To determine the discount rate used to discount the expected lease payments to the present value, the District uses the interest rate charged by the lessor as the discount rate. When the interest charged by the lessor is not provided, the District will generally use its estimated incremental borrowing rate as the discount rate for leases.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long term debt on the statement of net position.

**Lessor:**

The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements for leases with an individual value of \$100,000 or more. Lease receivables are recognized as the net present value of the lease payments expected to be made during the lease term, which is the noncancellable period of the lease. The lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. The deferred inflow of resources is recognized as revenue over the life of the lease term.

To determine the discount rate used to discount the expected lease receipts to the present value, the District uses the interest rate charged to the lessee as the discount rate. When the interest charged to the lessee is not stated, the District will generally use its estimated incremental borrowing rate as the discount rate for leases.

The District monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

For fiscal year ended June 30, 2022 the District had no noncancellable lessor arrangements significant to the financial statements. Lease payments for lessor arrangements are recorded as rental revenue in the fund statements.

**F. Revenues and expenditures/expenses**

**1. Property taxes**

Property taxes attach as an enforceable lien on real property and are levied as of July 1st. The tax levy for each property is mailed by county assessors as of October 25<sup>th</sup>, with taxes due in three installments on November 15<sup>th</sup>, February 15<sup>th</sup> and May 15<sup>th</sup>. Residents who pay in full by November 15<sup>th</sup> receive a three percent discount. The billings are considered past due 30 days after the respective tax billing date, at which time the applicable property is subject to lien, and penalties and interest are assessed.

**2. Program revenues**

Amounts reported as program revenues include 1) charges for services for fire protection and emergency medical and standby services provided to external agencies, including wildland firefighting, occupational health services, and HazMat training and incident response, 2) charges for certain ambulance transport services, and EMS supply replenishment, 3) charges related to participation in newly constructed building code requirements, and 4) grants and contributions that are restricted to meeting the District's operational or capital requirements of the public safety function.

### **3. Accrued compensated absences**

#### **a. Vacation and personal leave**

Accumulated accrued compensated absences for vacation and personal leave benefits are accrued when incurred in the Statement of Net Position and Statement of Activities. Due to the current financial resources focus of the governmental funds, only the portion of the accrued compensated absences related to retirements or resignations as of June 30, 2022, is recorded on the governmental funds balance sheet. The entire balance is reported on the Statement of Net Position. Also, for the governmental activities, compensated absences are generally liquidated by the General Fund.

#### **b. Sick leave**

Accumulated sick leave does not vest and is, therefore, recorded when leave is taken.

### **G. Pension obligations**

In accordance with GASB Statement 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement 27*, the District's net pension (asset)/liability, deferred inflows and outflows related to pensions, and pension expense have been determined on the basis reported by Oregon Public Employees Retirement System (PERS).

In accordance with GASB Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, the District's total pension liability, deferred inflows and outflows related to pensions, and pension expense have been actuarially determined and reported.

### **H. Retirement plans**

Substantially all the District's employees are participants in the State of Oregon Public Employees Retirement System (PERS). Contributions to PERS are made on a current basis as required by the plan and are charged as expenses/expenditures.

The District maintains a single employer defined benefit pension plan for certain former employees who retired prior to July 16, 1981. Contributions to the pension plan in the amount necessary to pay current benefits are funded annually by the District.

The District maintains two closed defined benefit Length of Service Award Plans (LOSAP) for past volunteer firefighters. The District also contributes to a defined contribution plan for its current volunteer firefighters.

## II. Reconciliation of government-wide and fund financial statements

### A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

Governmental fund balances differ from net position as presented in the Balance Sheet – Governmental Funds/Statement of Net Position due to the differences in measurement focus between the fund and entity-wide statements. Fund balance, as presented in the governmental funds balance sheet, reconciles to net position in the Statement of Net Position through consideration of the following:

<b>Fund balance, Governmental Fund Balance Sheet</b>	<b>\$ 127,613,404</b>
<i>Items that are not current financial resources or liabilities, and thus are not reported in the fund statements:</i>	
Prepaid items	3,834,656
Other asset	988,140
Capital assets, net	122,709,048
Unavailable revenue	3,021,492
Lease payables	(2,485,974)
Accrued compensated absences	(10,694,780)
Accrued interest payable on long-term debt	(857,188)
Long-term bonded debt	(78,120,688)
Deferred refunding charge on refunded bonds	1,270,358
Net PERS RHIA OPEB asset and related deferrals	1,261,597
Total single-employer OPEB liability and related deferrals	(789,775)
Total multiple-employer cost sharing OPEB liability and related deferrals	(11,430,358)
Total pension liability - Frozen Pension Plan	(222,699)
Total pension liability - LOSAP	(255,174)
Net pension liability - PERS	(79,052,457)
PERS Pension related outflows	57,123,797
PERS Pension related inflows	(71,470,002)
Net position of internal service funds combined with governmental activities	618,399
<b>Net position, Statement of Net Position</b>	<b><u>\$ 63,061,796</u></b>

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditure, other financing sources and uses, and changes in fund balances and the government-wide statement of activities**

Similarly, changes in fund balance reconcile to changes in net position in the Statement of Activities through consideration of the following adjustments:

<b>Net changes in fund balances</b>	<b>\$ 57,734,339</b>
<i>Amounts that are not considered current financial resources or uses are not reported in the funds, but are considered on the full accrual basis in the Statement of Activities:</i>	
Net increase in capital assets of \$9,239,044 less depreciation and amortization for the year (\$6,853,596), including capitalization of right-to-use lease assets in accordance with GASB 87, <i>Leases</i>	2,385,448
Net increase in other assets	988,140
Net increase in lease payables	(2,485,974)
Property taxes not meeting the measurable and available criteria	100,809
Payments and amortization on long-term debt, change in accrued interest payable, issuance of long-term debt, and deferred refunding charge	(50,959,910)
Net decrease in accrued compensated absences	1,203,036
Certain revenues recognized as measurable and available in the current year	(2,570,221)
Net increase in net PERS RHIA OPEB asset and related deferrals	407,636
Net decrease in total single-employer OPEB liability and related deferrals	55,090
Net increase in total multiple-employer OPEB liability and related deferrals	(1,678,340)
Net decrease in total pension liability - Frozen Pension Plan	199,510
Net decrease in total pension liability - LOSAP	58,246
Net increase in prepaid assets	1,576,171
Net decrease in net pension liability and related deferrals - PERS	5,377,855
<i>Amounts considered current financial resources and reported in the funds, but which are not considered in the full accrual Statement of Activities:</i>	
Decrease in net position of internal service fund combined with governmental activities	(19,955)
<b>Net change in net position</b>	<b>\$ 12,371,880</b>

**III. Detailed notes on all activities and funds**

**A. Cash, cash equivalents and investments**

**1. Deposits and investments**

The District maintains separate accountability by fund for cash, cash equivalents, and investment accounts.

Deposits with financial institutions include bank demand deposits and bank money market deposits. The combined total book balance at June 30, 2022 was \$32,222,887 and the total bank balance was \$32,359,879. The District's demand deposits are insured up to \$250,000 by the Federal Deposit Insurance

Corporation (FDIC), with the exception of \$1,229 which is insured by the Securities Investor Protection Corporation (SIPC). Any amounts in excess of FDIC insurance are secured in accordance with Oregon Revised Statutes 295 under Oregon Public Funds Collateralization Program, a collateral program administered by the Oregon State Treasurer, which is a shared liability structure for participating bank depositories, protecting public funds though still not guaranteeing that all funds are 100 percent protected. In general, well capitalized bank depositories are required to pledge collateral valued at least 10 percent of their last-reported uninsured public funds deposits. Adequately capitalized and undercapitalized depositories are required by ORS 295 to pledge collateral valued at 110 percent of their uninsured public funds deposits.

At June 30, 2022, the District's cash, cash equivalents, and investments are comprised of the following:

Cash, cash equivalents and investments	
Cash on hand	\$ 600
Cash with county assessors	474,704
Deposits with financial institutions	32,222,887
State of Oregon Local Government Investment Pool	52,753,680
Investments:	
US Treasury obligations	46,115,574
Commercial paper	9,152,849
Mutual funds	414,740
<b>Total cash, cash equivalents, and investments</b>	<b>\$ 141,135,034</b>

Cash and investments are reflected on the basic financials statements as follows:

Cash, cash equivalents and investments	
Unrestricted:	
Cash and cash equivalents	\$ 85,289,673
Investments	55,683,163
Primary government cash, cash equivalents, and investments	140,972,836
Fiduciary Funds	162,198
<b>Total cash, cash equivalents, and investments</b>	<b>\$ 141,135,034</b>

The Oregon State Treasury Finance Division administers the Local Government Investment Pool (LGIP). It 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 public funds. 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. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP. Cost approximates the District's fair value in the LGIP.

## 2. Custodial credit risk

Custodial credit risk is the risk that, in the event of failure of the counterparty, the District will not be able to recover the value of its investments that are in the possession of an outside party. At June 30, 2022, the District does not have investments exposed to custodial credit risk.

## 3. Interest rate risk

As a means of managing its exposure to fair value loss arising from increasing interest rates, the District's governmental funds investment policies limit maturities to 18 months. Generally, short-term investment funds will be invested for periods less than 12 months. Identified amounts in those funds may be available for investment periods up to 18 months. Investments with a maturity of 12 months or more shall be limited to U.S. Agency or U.S. Treasury securities.

As of June 30, 2022, the District had the following investments organized using the segmented time distribution method as noted below:

Investment Type	Fair Value	Investment Maturities	
		< 12 months	12 - 18 months
U.S. Treasury obligations	\$ 46,115,574	\$ 19,523,063	\$ 26,592,511
Commercial paper	9,152,849	9,152,849	-
Mutual funds	414,740	-	-
<b>Total Investments</b>	<b>\$ 55,683,163</b>	<b>\$ 28,675,912</b>	<b>\$ 26,592,511</b>

The LGIP is not registered with the U.S. Securities and Exchange Commission as an investment company. The State Treasurer is the investment officer for the LGIP and is responsible for all funds in the LGIP. These funds must be invested, and the investments managed, as a prudent investor would, exercising reasonable care, skill, and caution. Investments in the fund are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board. The following table outlines the LGIP's investment maturities at June 30, 2022.

LGIP Maturity Distribution of Portfolio			
	In Compliance	Objective	Actual
Percent of portfolio to mature within 93 days	Yes	> 50%	61.48%
Percent of portfolio to mature over one year	Yes	< 25%	19.45%
Securities maturing in over 3 years from settlement	Yes	0%	0%

## 4. Credit risk

State statutes govern the District's investment policy. Permissible investments for governmental funds include general obligations of the United States government and its agencies, obligations of the states of Oregon, California, Idaho, and Washington that have a rating at settlement of AA or better, A-1 rated



commercial paper and bankers' acceptances, Aa rated corporate bonds, time deposits, repurchase agreements, and the LGIP. The Pension funds maintain a separate investment policy that allows investment in mutual funds in addition to the above investment types.

The LGIP was created to offer a short-term investment alternative to Oregon local governments. The investments are regulated by the Oregon Short-Term Fund Board, which is not registered with the U.S. Securities and Exchange Commission as an investment company. The LGIP funds are approved by the Oregon Investment Council (ORS 294.805 to 294.898). Separate financial statements for the Oregon Short-Term Fund are available from the Oregon State Treasurer. The State of Oregon LGIP and money market account are unrated for credit quality.

As of June 30, 2022, the District's investments were rated by Standard & Poor's rating agency as follows:

Investment Type	Fair Value	Ratings as of Year End			
		AA+	A-1+	A-1	Unrated
U.S. Treasury obligations	\$ 46,115,574	\$ 45,857,251	\$ 258,323	\$ -	\$ -
Commercial paper	9,152,849	-	4,962,745	4,190,104	-
Mutual funds	414,740	-	-	-	414,740
<b>Total Investments</b>	<b>\$ 55,683,163</b>	<b>\$ 45,857,251</b>	<b>\$ 5,221,068</b>	<b>\$ 4,190,104</b>	<b>\$ 414,740</b>

## 5. Concentration of credit risk

To avoid incurring unreasonable risks inherent in over-investing in specific instruments or in individual financial institutions, the District diversifies its portfolio and follows the District's investment policy which sets maximum limits on the percentage of the portfolio that can be invested in any one type of security. In accordance with GASB 40, the District is required to report all individual non-federal investments which exceed 5.0% of total invested funds. As of June 30, 2022 the District held no individual investments which exceeded this threshold.

## 6. Fair value of investments

The District categorizes its fair value investments within the guidelines established by GAAP. These guidelines provide a fair value hierarchy based on valuation inputs to measure the fair value of the investment as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Significant observable inputs other than those included in Level 1;
- *Level 3:* Significant unobservable inputs.

Equity securities classified as Level 1 are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 are valued based on price data obtained from observed transactions and market price quotations from broker dealers and/or pricing vendors.

As of June 30, 2022, the District had the following investments measured at fair value:

Investments Measured at Fair Value				
	Total	Level 1	Level 2	Level 3
US Treasury obligations	\$ 46,115,574	\$ -	\$ 46,115,574	\$ -
Commercial paper	9,152,849	-	9,152,849	-
Mutual funds	414,740	414,740	-	-
<b>Total investments at fair value</b>	<b>\$ 55,683,163</b>	<b>\$ 414,740</b>	<b>\$ 55,268,423</b>	<b>\$ -</b>

## B. Receivables

Ambulance transport service receivables of \$784,159 consist of charges to insurance providers and patients of \$2,366,315 net of allowances for contractual discounts of \$1,294,246 and uncompensated care of \$287,910 and are based on management's estimates of collectability.

Other accounts receivable of \$725,542 include FEMA disaster claims, hazardous materials response, transport supplies reimbursement, maintenance assurance agreements, tenant improvement allowance, interest coupons and other miscellaneous receivables and are deemed to be fully collectible as of June 30, 2022.

**C. Capital assets****Capital Assets consist of the following at June 30, 2022:**

	Balance June 30, 2021 <sup>(1)</sup>	Increases	Decreases	Balance June 30, 2022
<b>Governmental activities:</b>				
Non-depreciable capital assets:				
Land	\$ 17,833,633	\$ -	\$ -	\$ 17,833,633
Other capital assets	231,000	-	-	231,000
Construction in progress	4,089,036	3,547,235	(3,025,539)	4,610,732
Total capital assets, not being depreciated	22,153,669	3,547,235	(3,025,539)	22,675,365
Capital assets, being depreciated:				
Buildings and improvements	117,952,086	1,228,864	(6,457)	119,174,493
Right-to-use leased buildings	1,904,056	642,007	-	2,546,063
Fire apparatus and other vehicles	38,487,727	1,545,099	(52,508)	39,980,318
Furniture, fixtures, and equipment	11,661,832	3,793,900	(3,992,546)	11,463,186
Right-to-use leased equipment	-	106,907	-	106,907
Total capital assets, being depreciated	170,005,701	7,316,777	(4,051,511)	173,270,967
Less accumulated depreciation for:				
Buildings and improvements	(34,884,829)	(4,118,175)	3,581	(38,999,423)
Right-to-use leased buildings	-	(201,802)	-	(201,802)
Fire apparatus and other vehicles	(26,817,642)	(1,684,413)	52,508	(28,449,547)
Furniture, fixtures, and equipment	(8,229,243)	(845,642)	3,491,937	(5,582,948)
Right-to-use leased equipment	-	(3,564)	-	(3,564)
Total accumulated depreciation	(69,931,714)	(6,853,596)	3,548,026	(73,237,284)
Total capital assets being depreciated, net	100,073,987	463,181	(503,485)	100,033,683
Total capital assets, net of depreciation	\$ 122,227,656	\$ 4,010,416	\$ (3,529,024)	\$ 122,709,048

(1) Restated for implementation of GASB 87, *Leases*

All current year depreciation/amortization is charged to Public Safety in the Statement of Activities.

**D. Interfund receivables, payables, and transfers**

Interfund transfers for the year ended June 30, 2022 were as follows:

Interfund Transfers	Transfers In	Transfers Out
General Fund	\$ -	\$ 200,000
Nonmajor funds	200,000	-
	<u>\$ 200,000</u>	<u>\$ 200,000</u>

The District made a transfer from the General Fund to the Property and Building Fund in the amount of \$200,000 to accumulate resources for land acquisition and construction costs for new and existing facilities.

#### E. Leases payable

Beginning July 1, 2018, the District was granted a 99 year right-of-use for Station 20 as part of the transfer of operations from the City of Newberg. The District shall maintain and operate the premises in order to provide fire and emergency services to the City but has no obligation of rent payments as per the agreement.

The District entered into a seven-year lease agreement for use of office space to house the District's Occupational Health and Wellness department effective January 19, 2018, with options likely to be exercised to extend the agreement to May 31, 2035. An initial lease liability of \$1,586,484 calculated with the District's incremental borrowing rate of 1.48%, was recognized as of July 1, 2021 with the implementation of GASB 87. The District made total principal and interest payments of \$83,213 and \$20,949, respectively, for fiscal year 2022. As of June 30, 2022 the value of the lease liability was \$1,503,271. The value of the right-to-use asset as of June 30, 2022 was \$1,586,484 and had accumulated amortization of \$114,000.

Year Ending June 30,	Principal	Interest	Total
2023	\$ 85,615	\$ 21,671	\$ 107,286
2024	90,131	20,373	110,504
2025	94,812	19,008	113,820
2026	99,662	17,572	117,234
2027	104,688	16,063	120,751
2028-2032	605,380	54,937	660,317
2033-2035	422,983	9,578	432,561
Totals	<u>\$ 1,503,271</u>	<u>\$ 159,202</u>	<u>\$ 1,662,473</u>

The District entered into a five-year lease agreement for space to house temporary Fire Station 54, located in the Wilsonville community of Charbonneau, effective March 1, 2020. An initial lease liability of \$317,572, calculated with the District's incremental borrowing rate of .47%, was recognized as of July 1, 2021 with the implementation of GASB 87. The District made total principal and interest payments of \$54,910 and \$795, respectively until the agreement was renegotiated. On March 1, 2022 the lease was extended for an additional 10 years, and was subsequently remeasured using an incremental borrowing rate of 1.45%, increasing the liability by approximately \$642,007, for a total of \$959,579 for the year. The District made total principal and interest payments of \$25,304 and \$3,232, respectively, for the remainder of the fiscal year 2022. As of June 30, 2022 the value of the lease liability was \$879,365. The value of the right-to-use asset as of June 30, 2022 was \$959,579 and had accumulated amortization of \$87,802.

Year Ending June 30,	Principal	Interest	Total
2023	\$ 74,157	\$ 12,263	\$ 86,420
2024	77,707	11,164	88,871
2025	81,379	10,013	91,392
2026	85,188	8,808	93,996
2027	89,125	7,547	96,672
2028-2032	471,809	16,785	488,594
Totals	<u>\$ 879,365</u>	<u>\$ 66,580</u>	<u>\$ 945,945</u>

The District entered into a five-year lease agreement for operating center copiers, effective March 1, 2022. An initial lease liability was recorded in the amount of \$106,907, during the current fiscal year, calculated using the District's estimated incremental borrowing rate of 3.01%. As of June 30, 2022, the value of the lease liability was \$103,338. The District made total principal and interest payments of \$3,569 and \$263, respectively, for fiscal year 2022. The value of the right-to-use asset as of June 30, 2022 was \$106,907 and had accumulated amortization of \$3,564.

Year Ending June 30,	Principal	Interest	Total
2023	\$ 20,166	\$ 2,834	\$ 23,000
2024	20,781	2,218	22,999
2025	21,416	1,584	23,000
2026	22,069	931	23,000
2027	18,906	262	19,168
Totals	<u>\$ 103,338</u>	<u>\$ 7,829</u>	<u>\$ 111,167</u>

#### F. Other asset

In February 2022 the District executed an assignment agreement with Emergent Health Care Solutions LLC (Emergent) transferring ownership of the iPad application 2iS, which is an in-field reporting tool designed to improve the workflow and efficiency for first responders, from the District to Emergent. An Investment Account was established by the parties to credit the District's investment in 2iS, totaling \$1,017,168, which may be used by the District for costs of professional engineering and development services and maintenance fees of 2iS provided by Emergent.

Changes in the District's Investment Account balance for the year ended June 30, 2022 are as follows:

	Balance June 30, 2021	Increases	Decreases	Balance June 30, 2022
Software Investment Account	\$ -	\$ 1,017,168	\$ (29,028)	\$ 988,140

## G. Long-term obligations

### Bonds payable

The District was authorized by its voters in November 2006, to issue \$77,500,000 of general obligation bonds. The District has outstanding bonds payable from the \$5,000,000 of 9-year bonds dated March 25, 2015, with stated interest rates ranging from 2.25% to 4.0%. The remainder of the issuances have been advanced refunded, with details of those transactions and the remaining obligations described in the following section. All bond issues were for purposes of funding fire station construction and seismic improvements, command center projects, and to purchase land and emergency response apparatus.

The District was authorized by its voters in November 2021, to issue \$122,000,000 of general obligation bonds. The District has outstanding bonds payable from the \$49,730,000 of 9-year bonds dated March 15, 2022, with stated interest rates of 5.00%. All bond issues are for the purposes of funding fire station construction and improvements, replacement of emergency response apparatus, safety upgrades for the training center facility, and to purchase land.

### Advance refundings

On March 25, 2015, the District issued \$9,905,000 in general obligation bonds with interest rates ranging from 2.25% to 4.0%. The proceeds were used to advance refund \$10,000,000 of outstanding 2007 general obligation bonds which had interest rates ranging from 4.0% to 4.25%. The net proceeds of \$10,911,482 (including a \$1,121,871 premium after payment of \$115,389 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment of the refunded bonds. As a result, the 2007 general obligation bonds with maturities after April 2017 are considered defeased and the liability for those bonds has been removed from the statement of net position.

On October 18, 2017, the District issued \$12,310,000 in general obligation bonds with interest rates ranging from 4.0% to 5.0%. The proceeds were used to advance refund \$4,800,000 of outstanding 2009 general obligation bonds which had interest rates ranging from 4.0% to 4.375% and \$8,870,000 of outstanding 2009B general obligation bonds which had interest rates ranging from 4.0% to 4.25%. The net proceeds of \$14,415,990 (including a \$2,271,850 premium after payment of \$165,861 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for future debt service payment of the refunded bonds. As a result, the 2009 and 2009B general obligation bonds with

maturities after March 2019 and June 2019 respectively are considered defeased and the liability for those bonds has been removed from the statement of net position.

On May 6, 2020, the District issued \$14,920,000 in general obligation bonds with interest rates ranging from 1.16% to 2.0%. The proceeds were used to advance refund \$13,925,000 of outstanding 2011 general obligation bonds which had interest rates ranging from 4.0% to 5.0%. The net proceeds of \$14,809,107 (including a \$50,719 premium after payment of \$161,612 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment of the refunded bonds. As a result, the 2011 general obligation bonds with maturities after June 2021 are considered defeased and the liability for those bonds has been removed from the statement of net position.

Interest rates vary by respective maturities. The District has no variable rate debt.

### Legal debt margin

The District is subject to a debt limit that is 1.25% of Real Market Value of taxable property. At June 30, 2022, that amount was \$1,582 million. As of June 30, 2022, the total general obligation bonded debt was \$67,035,000, plus unamortized premium of \$11,085,688. The total outstanding debt applicable to the limit was \$77.7 million which is 4.91% of the total debt limit.

### Changes in long-term liabilities

Changes in the District's general obligation bonds, lease payables, and compensated absences for the year ended June 30, 2022 are as follows:

Issue Date	Original Issue	Outstanding at June 30, 2021 <sup>(1)</sup>	Additions	Reductions	Outstanding at June 30, 2022	Due Within One Year	Interest Rates to Maturity
<b>General Obligation Bonds:</b>							
March 25, 2015	\$ 9,905,000	\$ 4,155,000	\$ -	\$ (1,380,000)	\$ 2,775,000	\$ 1,385,000	2.25 - 4.00%
March 25, 2015	5,000,000	1,930,000	-	(620,000)	1,310,000	640,000	2.25 - 4.00%
October 18, 2017	12,310,000	8,710,000	-	(1,750,000)	6,960,000	1,795,000	4.00 - 5.00%
May 6, 2020	14,920,000	11,240,000	-	(4,980,000)	6,260,000	-	1.16 - 1.91%
March 15, 2022	49,730,000	-	49,730,000	-	49,730,000	2,270,000	5.00%
Total General Obligation Bonds		26,035,000	49,730,000	(8,730,000)	67,035,000	6,090,000	
<b>Unamortized Premium:</b>		2,060,326	9,683,116	(657,754)	11,085,688	1,343,641	
<b>Lease Payables:</b>		1,904,056	748,914	(166,996)	2,485,974	179,938	
<b>Compensated Absences:</b>		11,897,816	9,672,005	(10,875,041)	10,694,780	9,786,150	
<b>Total</b>		<u>\$ 41,897,198</u>	<u>\$ 69,834,035</u>	<u>\$ (20,429,791)</u>	<u>\$ 91,301,442</u>	<u>\$ 17,399,729</u>	

(1) Restated for implementation of GASB 87, *Leases*

Outstanding bond issues are callable as follows:

March 25, 2015 - at par plus accrued interest beginning June 1, 2025  
March 25, 2015 - at par plus accrued interest beginning June 1, 2025  
October 18, 2017 - not callable  
May 06, 2020 - at par plus accrued interest beginning June 1, 2030  
March 15, 2022 - not callable

Future bond maturities are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 6,090,000	\$ 3,580,426	\$ 9,670,426
2024	7,185,000	2,771,248	9,956,248
2025	7,770,000	2,488,425	10,258,425
2026	6,780,000	2,125,357	8,905,357
2027	7,410,000	1,811,135	9,221,135
2028-2031	31,800,000	3,637,477	35,437,477
	<u>\$ 67,035,000</u>	<u>\$ 16,414,068</u>	<u>\$ 83,449,068</u>

#### IV. Other information

##### A. Risk management

The District is exposed to various risks of loss related to torts, theft of or damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The District, through its General Fund, purchases commercial insurance. Deductibles are generally at \$5,000 or less and natural disasters have a deductible of \$50,000. Settled claims have not exceeded commercial coverage in any of the last three fiscal years. The District also annually purchases an industrial accident insurance policy covering its employees and volunteer firefighters.

##### B. Related party transactions

The District contracts with WCCCA, an ORS 190 entity, which is an intergovernmental entity created by agreement of local governments. WCCCA functions as a 911 dispatch agency. The District is a participating member of the agreement. During the year ended June 30, 2022, the District paid \$2,326,507 to WCCCA for dispatch fees.

The District also performs ambulance transport services for a portion of Clackamas County through a contract with American Medical Response NW (AMR), the assigned private provider of medical transportation services in Clackamas County. The General Manager of AMR is a current elected board member of the District.

##### C. Deferred compensation plans

The District offers all employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457(b). The plan, available to all District employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional.

Under terms of the bargaining agreement, and in accordance with Internal Revenue Code Section 401(a), participating employees, who meet length of service requirements, receive a District matching contribution of five percent of base wages. The District made a similar match of five percent for non-bargaining employees.



The District's contribution during fiscal year 2022 was \$2,785,642 of which \$2,179,062 was made for the bargaining unit employees.

The trust assets are held in a custodial trust for the exclusive benefit of participants and beneficiaries. They are not subject to the claims of public employer creditors nor can they be used by the public employer for any purpose other than the payment of benefits to those individuals participating in the plan or their designated beneficiaries. Accordingly, the plan assets are not included in the statement of net position.

### **D. Tax abatements granted by other governments**

GASB Statement No. 77, *Tax Abatement Disclosures* establishes financial reporting standards for tax abatement agreements entered into by state and local governments. The District's property tax revenues were impacted by five tax abatement programs managed by Washington County and certain of its cities, one managed by Clackamas County and one managed by Yamhill County for the fiscal year ended June 30, 2022.

#### ***Strategic Investment Program***

The Strategic Investment Program (SIP) is a combined agreement between Washington County, the City of Hillsboro and Intel Corporation (Intel). The SIP was authorized by the 1993 Legislature to increase Oregon's ability to attract and retain capital-intensive industry and high-wage jobs. Under this agreement, Intel agrees to pay full property taxes on the first \$100 million invested, or \$25 million in a rural area, a cap that increases three percent each year, as well as an annual Community Service Fee equal to 25 percent of abated taxes. The District's SIP reduction in property tax revenues is estimated at \$1,215,000 for fiscal year 2022.

#### ***Enterprise zone***

Enterprise zones can be adopted by cities to encourage business development and primarily function to exempt businesses from local property taxes on new investments for a specified amount of time, which varies among the different zone programs. To qualify for an enterprise zone exemption, the business agrees to increase full-time employment by 10%, have no concurrent job losses outside the zone boundary, maintain minimum employment levels, enter into a first-source agreement with local job training providers and satisfy any additional conditions. The District's reduction in property tax revenues from Enterprise Zones adopted by the City of Tigard and the City of Beaverton is estimated at \$18,000 for fiscal year 2022.

#### ***Vertical housing***

The Washington County program encourages mixed-use commercial/residential developments in areas designated by communities through a partial property tax exemption. The exemption varies in accordance with the number of residential floors on a project with a maximum property tax exemption of 80 percent over 10 years. An additional property tax exemption on the land may be given if some or all of the residential housing is for low-income persons (80% of area median income or below). The District's reduction in property tax revenues from vertical housing programs is estimated at \$69,000 for fiscal year 2022.

#### ***Nonprofit corporation low income housing***

The 1985 Oregon legislature authorized a property tax abatement for low-income housing held by charitable, nonprofit organizations. The tax abatement is intended to benefit low-income renters and is available for qualifying property located in some parts of Washington and Clackamas counties. Nonprofit IRS 501(c)(3) or

(4) organizations are responsible for the day-to-day management of the property. Each city or county may set additional terms and may depend on the existence of development prior to application or not. The District's reduction in revenues from this program is estimated at \$124,000 and \$20,400 respectively from Washington and Clackamas Counties for fiscal year 2022.

#### ***Housing for Low Income Rental***

Working in partnership with both the non-profit and the private sector, the Washington County Department of Housing Services (DHS) combines traditional housing programs with economic opportunity to encourage self-sufficiency, skill enhancement and independence. The DHS offers rental assistance to low income households through various federally funded programs, and also creates affordable housing opportunities in the community for low- and moderate-income households through a combination of creative financing and partnerships with public and private entities. The District's reduction in property tax revenues for housing for low income rental is estimated at \$3,000 in Washington County and approximately \$7,600 in Yamhill County for fiscal year 2022.

### **E. Employee retirement systems and pension plans**

#### **1. Employee Retirement Pension Plan**

**Plan Description** - The District is a participating employer in the Oregon Public Employees Retirement System (PERS), a cost-sharing multiple-employer public employee retirement system established under Oregon Revised Statutes 238.600 that acts as a common investment and administrative agent for public employers in the State of Oregon.

**ORS 238 Defined Benefit Plan Benefits** - PERS is a defined benefit pension plan that provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and their beneficiaries. Benefits are established by state statute. This defined benefit pension plan portion of PERS is closed to new members hired on or after August 29, 2003.

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

**Death Benefits** - Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met: (1) member was employed by a PERS employer at the time of death; (2) member died within 120 days after termination of PERS-covered employment; (3) member died as a result of injury sustained while employed in a PERS-covered job; or (4) member was on an official leave of absence from a PERS-covered job at the time of death.

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

**Benefit Changes after Retirement** - Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the cost-of-living changes will vary based on the amount of the annual benefit and years in which the benefit was earned.

**ORS 238A OPSRP Defined Benefit Plan Benefits** - This portion of the defined benefit pension plan of PERS provides benefits to members hired on or after August 29, 2003. Benefits under this portion of OPSRP provide a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age.

For police and fire members, 1.8% is multiplied by the number of years of creditable service time and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

For general service members, 1.5% is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65 or age 58 with 30 years of retirement credit.

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

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

**Disability Benefits** - A member who has accrued ten or more years of retirement credits before the member becomes disabled under non-duty criteria or a member who becomes disabled under duty criteria due to job-related injury or disease shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment prior to the disability.

**Benefit Changes after Retirement** - Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the cost-of-living changes will vary based on the amount of the annual benefit.

**Contributions** - PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Post-Employment Benefit Plans.

Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation, which became effective July 1, 2021. The District's rates for the year ended June 30, 2022 were 27.51% for PERS Tier 1/Tier 2; 17.99% for OPSRP – general service employees; and 22.35% for OPSRP – fire employees; of salary covered under the plan. These rates are reported inclusive of the retiree healthcare rates disclosed in a separate note disclosure. The contribution requirements for plan members and the District are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

Employer contributions for the year ended June 30, 2022 were approximately \$17,723,000 exclusive of the 6% "pick-up". Covered employees are required to contribute 6% of their salary to the Plan, but the employer is allowed to pay all of the employees' contribution in addition to the required employers' contribution as a pick-up. The District contributes the 6% employee contribution pick-up for all non-bargaining unit personnel which was approximately \$3,955,000, of which \$865,000 was redirected to the Employee Pension Stability Account (EPSA).

**Plan Audited Financial Report** - Both PERS and OPSRP are administered by the Oregon Public Employees Retirement Board (OPERB). The comprehensive annual financial report of the funds administered by the OPERB may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, OR 97281-3700, by calling (888) 320-7377, or by accessing the PERS web site at [www.oregon.gov/pers](http://www.oregon.gov/pers).

#### **Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions**

**Proportionate Share Allocation Methodology** - The basis for the employer's proportion is actuarially determined by comparing the employer's projected long-term contribution effort to the Plan as a percentage of the total projected long-term contribution effort of all employers. The contribution rate for every employer has at least two major components; Normal Cost Rate and Unfunded Actuarial Liability (UAL) Rate.

At June 30, 2022, the District reported a liability of \$79,052,457 for its proportionate share of the plan net pension liability. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The District's proportionate share was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating

members of the cost sharing pool, actuarially determined. At June 30, 2022 and 2021 the District's proportion was 0.66061580% and 0.70612510%, respectively.

For the year ended June 30, 2022, the District recognized pension expense of \$12,786,319 for the defined benefit portion of the pension plan.

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Inflows and Outflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 7,399,827	\$ -
Changes in assumptions	19,789,210	208,047
Net difference between projected and actual earnings on pension plan investments	-	58,521,921
Changes in District's proportionate share	5,902,962	11,153,665
Differences between District contribution and proportionate share of system contributions	6,308,791	1,586,369
Subtotal	39,400,790	71,470,002
District contributions subsequent to the measurement date	17,723,007	-
Total	<u>\$ 57,123,797</u>	<u>\$ 71,470,002</u>

Deferred outflows of resources related to pensions of \$17,723,007 resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense/(income) as follows:

Year ended June 30:	
2023	\$ (3,967,029)
2024	(5,347,203)
2025	(9,718,978)
2026	(14,774,782)
2027	1,738,780
Total	<u>\$ (32,069,212)</u>

**Actuarial Valuations** - The employer contribution rates effective July 1, 2021, through June 30, 2023, were set using the entry age normal actuarial cost method.

For the ORS 238 Tier One/Tier Two component of the PERS defined benefit plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), and (2) an

amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over twenty years.

For the ORS 238A OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an actuarially determined amount for funding a disability benefit component, and (3) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over sixteen years.

### Actuarial Methods and Assumptions

• Valuation Date	December 31, 2019
• Measurement Date	June 30, 2021
• Experience Study	2018, published July 24, 2019
• Actuarial assumptions:	
▪ Actuarial cost method	Entry Age Normal
▪ Inflation rate	2.40 percent
▪ Long-term expected rate of return	6.90 percent
▪ Discount rate	6.90 percent
▪ Projected salary increases	3.40 percent
▪ Cost of living adjustment	Blend of 2.00% COLA and graded COLA (1.25% / 0.15%) in accordance with <i>Moro</i> decision; blended based on service.
▪ Mortality	<p><b>Healthy retirees and beneficiaries:</b>  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.</p> <p><b>Active members:</b>  Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><b>Disabled retirees:</b>  Pub-2010 Disabled Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are

made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2018 Experience Study, which reviewed experience for the four-year period ended on December 31, 2018.

**Discount Rate** - The discount rate used to measure the total pension liability was 6.90 percent. 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 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 Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 6.90%, as well as what the District's share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of net pension liability	\$ 155,240,114	\$ 79,052,457	\$ 15,311,039

**Long-Term Expected Rate of Return** – To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. Information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means are summarized in the following tables:

Asset Class/Strategy	OIC Policy Range			OIC Target Allocation
Debt Securities	15.0	-	25.0 %	20.0 %
Public Equity	27.5	-	37.5	32.5
Real Estate	9.5	-	15.5	12.5
Private Equity	14.0	-	21.0	17.5
Alternative Portfolio	7.5	-	17.5	15.0
Opportunity Portfolio <sup>1</sup>	0.0	-	5.0	0.0
Risk Parity	0.0	-	2.5	2.5
Total				100.0 %

<sup>1</sup> Opportunity Portfolio is an investment strategy and it may be invested up to 5% of total plan net position.

**Long-Term Expected Rate of Return <sup>1</sup>**

Asset Class	Target Allocation	Annual Arithmetic Return <sup>2</sup>	20-Year Annualized Geometric Mean	Annual Standard Deviation
Global Equity	30.62 %	7.11 %	5.85 %	17.05 %
Private Equity	25.50	11.35	7.71	30.00
Core Fixed Income	23.75	2.80	2.73	3.85
Real Estate	12.25	6.29	5.66	12.00
Master Limited Partnerships	0.75	7.65	5.71	21.30
Infrastructure	1.50	7.24	6.26	15.00
Commodities	0.63	4.68	3.10	18.85
Hedge Fund of Funds- Multistrategy	1.25	5.42	5.11	8.45
Hedge Fund Equity - Hedge	0.63	5.85	5.31	11.05
Hedge Fund - Macro	5.62	5.33	5.06	7.90
US Cash	-2.50 <sup>3</sup>	1.77	1.76	1.20
Assumed Inflation - Mean			2.40 %	1.65 %

<sup>1</sup> Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, including revisions adopted at the OIC meeting on June 2, 2021.

<sup>2</sup> The arithmetic mean is a component that goes into calculating the geometric mean. Expected rates of return are presented using the geometric mean, which the Board uses in setting the discount rate.

<sup>3</sup> Negative allocation to cash represents levered exposure from the allocation to Risk Parity strategy.

**Depletion Date Projection** – GASB 68, *Accounting and Financial Reporting for Pensions*, generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for PERS:

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.



- GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is PERS' independent actuary's opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

**Deferred Inflows of Resources and Deferred Outflows of Resources** - Deferred inflows of resources and deferred outflows of resources are calculated at the Plan level and are allocated to employers based on their proportionate share. For the measurement period ended June 30, 2021, employers will report the following deferred inflows of resources and/or deferred outflows of resources:

- A difference between expected and actual experience
- Changes in assumptions
- Changes in employer proportion since the prior measurement date
- Difference between projected and actual investment earnings

Differences between expected and actual experience, changes in assumptions and changes in employer proportion are amortized over the average remaining service lives of all plan participants, including retirees, determined as of the beginning of the respective measurement period. Employers are required to recognize pension expense based on the balance of the closed period "layers" attributable to each measurement period. The average remaining service lives determined as the beginning of each measurement period are described below:

Year ended June 30, 2021 – 5.4 years  
Year ended June 30, 2020 – 5.3 years  
Year ended June 30, 2019 – 5.2 years  
Year ended June 30, 2018 – 5.2 years  
Year ended June 30, 2017 – 5.3 years  
Year ended June 30, 2016 – 5.3 years  
Year ended June 30, 2015 – 5.4 years  
Year ended June 30, 2014 – 5.6 years

The net difference between projected and actual investment earnings attributable to each measurement period is amortized over a closed five-year period.

In addition, employers may need to recognize a difference between their actual employer contributions and their proportionate share of contributions, which is not reflected in the Schedule of Pension Amounts by Employer. GASB 68 requires employers to amortize that difference over the remaining service lives of all plan participants, including retirees, determined as of the beginning of the respective measurement period. Employer contributions made after the measurement date are also excluded from the Schedule of Pension Amounts by Employer. Appropriate treatment of such amounts is the responsibility of the employer.

**Individual Account Program** - In the 2003 legislative session, the Oregon Legislative Assembly created a successor plan for PERS. The Oregon Public Service Retirement Plan (OPSRP) is effective for all new employees hired on or after August 29, 2003 and applies to any inactive PERS members who return to employment following a six month or greater break in service. The new plan consists of the defined benefit pension plans and a defined contribution pension plan (the Individual Account Program or IAP). Beginning January 1, 2004, all PERS member contributions go into the IAP portion of OPSRP. PERS' members retain their existing PERS accounts, but any future member contributions are deposited into the member's IAP, not the member's PERS account. Those employees who had established a PERS membership prior to creation of OPSRP will be members of both the PERS and OPSRP system as long as they remain in covered employment.

## **2. Single-Employer Defined Benefit Pension Plan**

**Plan Description** - The District maintains a single-employer defined benefit pension plan for those former employees of Washington County Fire Protection District No. 1 (a merged District), who retired prior to July 16, 1981. Compensation levels and years of service were frozen for benefit purposes as of June 30, 1981. The amortization period for this plan is closed. The plan is accounted for on a flow of economic resources measurement focus and uses the accrual basis of accounting. Benefits are recognized when incurred.

The Plan is maintained for two beneficiaries of retired employees who are currently receiving benefits. Benefits paid are based upon the former employees' years of service and a percentage of their average monthly compensation prior to June 30, 1981.

The Plan is administered by the Fire Chief. Benefits under this plan consist of payments to beneficiaries. Amendments to the plan may be made at the discretion of the Board. The plan is not administered through a trust or equivalent arrangement; therefore, the provisions of GASB Statements 67 and 68 do not apply, however, GASB Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* was implemented at June 30, 2016.

**Actuarial Methods and Assumptions** - The Total Pension Liability and components of Pension Expense as of June 30, 2022, were determined using the date of the latest actuarial valuation of June 30, 2022. All benefits are vested. Significant actuarial assumptions used in the valuation included:

- A 3.54% interest discount based on the June 2022 rate in the 20-Year General Obligation Municipal Bond Index published by the Bond Buyer.
- Cost of Living Adjustments
  - 3.1% for the 1973 Plan Retirees
  - 2.0% for the 1976 Plan Retirees
- Mortality – RP 2014 Blue Collar generation tables projected forward using Scale MP 2019.

Liabilities are valued by discounting expected future cash flows at the assumed discount rate of 3.54%. Plan expenses other than benefit payments are not valued. The Plan is currently “unfunded” as defined by relevant GASB statements.

The Plan does not issue stand-alone financial reports.

For the year ended June 30, 2022, the District recognized pension expense of \$123,434 for the defined benefit pension plan.

The change in Total Pension Liability for the year ended June 30, 2022 is as follows:

Change in Total Pension Liability	6/30/2022
Total Pension Liability, beginning of year	\$ 422,209
Benefit payments	(76,076)
Interest on Total Pension Liability	8,490
Change in Assumptions	(16,966)
Experience (Gain)/Loss	(114,958)
Total Pension Liability, end of year	<u>\$ 222,699</u>

**Sensitivity of the Total Pension Liability to Changes in the Discount Rate** - The following represents the total pension liability calculated using the discount rate of 3.54%, as well as what the total pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease	Current	1% Increase
Sensitivity of Total Pension Liability	(2.54%)	Discount Rate (3.54%)	(4.54%)
Total Pension Liability on 6/30/22	\$ 235,198	\$ 222,699	\$ 211,577

### 3. Volunteer Length of Service Award Program (LOSAP)

**Plan Description** - The District maintains three Volunteer Length of Service Award Programs (known as LOSAP Plans), for its volunteer firefighters. The District’s current volunteers participate in a defined contribution plan implemented effective January 1, 2012 which is administered by the Oregon Fire District Directors Association. The District maintains two closed defined benefit plans for some prior volunteers under a 1992 plan and under a 1990 District 2 plan. The 1992 program was closed for crediting of additional future benefits on July 1, 1998 and the District 2 plan was closed for crediting of additional future benefits on January 12, 2000.

The closed 1992 and 1990 programs are accounted for as a single employer defined benefit plan and provide length of service award benefits of a monthly amount based upon years of service. The Fire Chief,

as the Plan Administrator, administers the plans and the Board of Directors provides oversight. Amendments to the plans may be made at the discretion of the Board. Vesting occurred after five years of service and service benefits were limited to 10 years certain and life annuity payable at the normal retirement age of 62.

Neither the closed 1992 or 1990 plans nor the defined contribution plans are administered through a trust or equivalent arrangement; therefore, the provisions of GASB Statements 67 and 68 do not apply, however, GASB Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* was implemented at June 30, 2016.

**Actuarial Methods and Assumptions** – The District accounts for plan liabilities in accordance with GASB Statement 73. Significant actuarial assumptions used in the combined June 30, 2022 actuarial valuation for both the 1992 and 1990 plans, the latest available, included:

- Interest discount rate of 3.54%
- Retirement rates – paid when a volunteer reaches age 62
- Form of benefit - 10 year certain-and-life annuity for both the 1992 and 1990 District 2 plans.
- Mortality – RP 2014 Blue Collar generation tables projected forward using Scale MP 2021.

As required by the standards, the Entry Age Normal Level Percent of Cost Method is used to determine the Total Pension Liability and the Service Cost. The present value of benefits for current retirees plus the accumulated value of all prior Service Costs is the Total Pension Liability. Under this method the actuarial gains (losses), as they occur, reduce (increase) the total Pension Liability while leaving the Service Cost unchanged.

Liabilities are valued by discounting expected future cash flows at the assumed discount rate of 3.54%. Plan expenses other than benefit payments are not valued. The Plan is currently “unfunded” as defined by relevant GASB statements.

The Plan does not issue stand-alone financial reports. For the year ended June 30, 2022, the District recognized pension expense of (\$7,508) for the LOSAP plan. The change in Total Pension Liability for the year ended June 30, 2022 is as follows:

Change in Total LOSAP Pension Liability	6/30/2022
Total Pension Liability, June 30, 2021	\$ 313,420
Benefit payments	(50,738)
Interest on Total Pension Liability	10,197
Change in assumptions	(39,074)
Experience (Gain)/Loss	21,369
Total Pension Liability, June 30, 2022	<u>\$ 255,174</u>

**Sensitivity of the Total Pension Liability to Changes in the Discount Rate** - The following represents the total pension liability calculated using the discount rate of 3.54%, as well as what the total pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
<b>Sensitivity of Total LOSAP Liability</b>			
Total Pension Liability on 6/30/22	\$ 282,100	\$ 255,174	\$ 232,480

## F. Post-employment benefits other than pensions (OPEB)

### 1. Health Benefit Retiree Program – Single Employer Plan

**Plan Description** - The District maintains a single-employer Health Benefit Retiree Program which has one component: The Self-Pay Health Plan. The amortization period for this plan is closed. The plan is accounted for on a flow of economic resources measurement focus and uses the accrual basis of accounting. Benefits are recognized when incurred.

The plan is provided in accordance with ORS 243.303, which requires that retirees be allowed to continue their health care coverage at their own expense. Since union actives continue their coverage through the Union Trust, only non-union actives are eligible to continue their coverage under the District's health plan after retirement. The difference between retiree claims costs, which because of the effect of age is generally higher in comparison to all plan members, and the amount of retiree healthcare premiums represents the District's implicit employer contribution. The District did not establish an irrevocable trust (or equivalent arrangement) to account for the plan.

The District makes no explicit contributions under the Self-Pay Plan. As of June 30, 2022, the date of the most recent actuarial valuation, there were 81 active employees and 22 retirees and surviving spouses included in the Health Benefit Retiree Program.

**Actuarial Assumptions and Other Inputs** - The total OPEB liability of \$699,217 and components of OPEB Expense as of June 30, 2022, were determined using the date of the latest actuarial valuation of June 30, 2022. Significant actuarial assumptions used in the valuation included:

- A 3.54% interest discount based on the June 2022 rate in the 20-Year General Obligation Municipal Bond Index published by the Bond Buyer.
- Medical Insurance Premium and Claims Trend: 5% annual increases.
- Retirement Rates: The assumed rates of retirement for Tualatin Valley Fire & Rescue employees covered by this Plan are based on the retirement rate assumptions used in the December 31, 2020 Oregon PERS valuation for General Service and Public Safety employees.
- An assumed general inflation rate of 2.5% is used for all future years.

- Annual salary increases for employees are assumed to be 3% in all future years.

Mortality rates were based on the rates used in the December 31, 2020 Oregon PERS actuarial valuation.

Plan expenses other than benefit payments are not valued. The Plan is currently “unfunded” as defined by relevant GASB statements. The Plan does not issue stand-alone financial reports.

For the year ended June 30, 2022, the District recognized OPEB expense of \$37,516 for the OPEB plan.

### Changes in Total OPEB Liability

Change in Total OPEB Liability	6/30/2022
Total OPEB Liability, June 30, 2021	\$ 824,653
Benefit payments	(92,606)
Service cost	15,972
Interest on Total OPEB Liability	27,554
Change in assumptions	(168,730)
Experience	92,374
Total OPEB Liability, June 30, 2022	<u>\$ 699,217</u>

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate** - The following represents the total OPEB liability calculated using the discount rate of 3.54%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

Sensitivity of Total OPEB Liability	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB Liability on 6/30/22	\$ 740,258	\$ 699,217	\$ 661,287

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates** - The following represents the total OPEB liability of the District, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

Sensitivity of Total OPEB Liability	1% Decrease	Current Health Care Trend Rates	1% Increase
Total OPEB Liability on 6/30/22	\$ 656,363	\$ 699,217	\$ 747,462

### OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the District recognized OPEB expense of \$37,516. At June 30, 2022 the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Inflows and Outflows - OPEB Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 258,536	\$ -
Changes of assumptions or other inputs	-	349,094
Total	<u>\$ 258,536</u>	<u>\$ 349,094</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expenses as follows:

Deferred Inflows and Outflows - OPEB Expense	Deferred Outflows/(Inflows) Recognized in OPEB Expense
<b>Fiscal Year Ending</b>	
2023	\$ (6,010)
2024	(6,010)
2025	(6,010)
2026	(6,010)
2027	(24,315)
All subsequent years	(42,203)
Total	<u>\$ (90,558)</u>

## 2. Retiree Health Plan for Local 1660 Members – Multiple Employer Cost-Sharing Plan

**Plan Description** – The District contributes to the Northwest Firefighters Relief Association Health Trust Retiree Program, a cost-sharing multiple-employer defined benefit post-employment healthcare plan (an OPEB plan). The Trust provides medical benefits to eligible retired employees of participating districts. As of the most recent valuation date of June 30, 2021, the Trust has nine participating employers, Tualatin Valley Fire and Rescue, Molalla Rural Fire Protection, Clatskanie Rural Fire Protection, Woodburn Fire District, Canby Fire District, City of Newberg Police Department, Forest Grove Fire and Rescue, Hoodland Fire District, and Port of Portland Fire Department. This plan has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. The program allows eligible retirees and their dependents to purchase continuation coverage under the Trust's health insurance plans from the date of retirement until eligibility for Medicare. The District is required by ORS 243.303 to provide retirees with group health insurance from the date of retirement to age 65 at the same rate provided to current employees, at their own expense.

**Actuarial Assumptions**

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Discount rate: 2.16%
- Inflation: 2.5%
- Salary increases: 3.5%
- Medical cost trend rates: 6% for 2022, decreasing 0.5% per year to an ultimate rate of 5% for 2024 and later years

The 2.16% discount rate assumption is the June 30, 2021 rate in the 20-Year General Obligation Municipal Bond Index published by Bond Buyer.

Rates of mortality, retirement, and withdrawal are the same rates that were used in the December 31, 2019 actuarial valuation of the Oregon Public Employees Retirement System for Police and Fire employees.

**Changes in Total OPEB Liability**

Change in Total OPEB Liability	6/30/2022
Total OPEB Liability, June 30, 2021	\$ 17,065,380
Benefit payments	(474,673)
Service cost	1,153,489
Interest	363,485
Total OPEB Liability, June 30, 2022	<u>\$ 18,107,681</u>

**Sensitivity of the District's Proportionate Share of the Total OPEB Liability to Changes in the Discount Rate**

The following represents the District's proportionate share of the total OPEB liability, as well as what the District's proportionate share of the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.16%) or 1 percentage point higher (3.16%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Sensitivity of Total OPEB Liability	(1.16%)	(2.16%)	(3.16%)
Total OPEB Liability on 6/30/22	\$ 19,749,187	\$ 18,107,681	\$ 16,592,805



### Sensitivity of the District's Proportionate Share of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following represents the District's proportionate share of the total OPEB liability, as well as what the District's proportionate share of the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

Sensitivity of Total OPEB Liability	1% Decrease	Current Health Care Trend Rates		1% Increase
Total OPEB Liability on 6/30/22	\$ 15,816,271	\$	18,107,681	\$ 20,830,257

### OPEB Liabilities, OPEB Expense, and Deferred Inflows/Outflows of Resources Related to OPEB

At June 30, 2022, the District reported a liability of \$18,107,681 for its proportionate share of the total OPEB liability. At June 30, 2022 and June 30, 2021, the District's proportionate share was 80.6557%.

For the year ended June 30, 2022, the District recognized OPEB expense of \$2,153,013. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Inflows and Outflows - OPEB Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 254,973	\$ 413,523
Changes of assumptions	7,168,280	-
Changes in proportionate share	-	332,407
	<u>\$ 7,423,253</u>	<u>\$ 745,930</u>

Future amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Deferred Inflows and Outflows - OPEB Expense	Deferred Outflows/(Inflows) Recognized in OPEB Expense
<b>Fiscal Year Ending</b>	
2023	\$ 636,038
2024	636,038
2025	636,038
2026	636,038
2027	636,038
All subsequent years	3,497,133
Total	<u>\$ 6,677,323</u>

### **3. PERS Retirement Health Insurance Account OPEB (RHIA)**

**Plan Description** - The District is a participating employer in the Oregon Public Employees Retirement System (PERS) Retirement Health Insurance Account (RHIA) plan, a cost-sharing multiple-employer defined benefit other postemployment benefit plan (OPEB) established under Oregon Revised Statutes 238.420. The RHIA plan currently serves 811 participating employers.

**Benefits Provided** - ORS 238.420 authorizes a payment of up to \$60 from RHIA toward the monthly cost of health insurance for eligible PERS members. The plan is closed to new entrants hired on or after August 29, 2003. To be eligible to receive this monthly payment toward the healthcare premium cost the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan.

**Death Benefits** - A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

**Contributions** - For the year ended June 30, 2021, PERS employers contributed 0.06% of PERS-covered salaries for Tier One and Tier Two members to fund the normal cost portion of RHIA benefits.

Employer contributions are advance funded on an actuarially determined basis. There is no inflation assumption for RHIA postemployment benefits because the payment amount is set by statute and is not adjusted for increases in healthcare costs. The number of RHIA participants receiving benefits was 42,857 for the fiscal year ended June 30, 2021, and there were 43,108 active and 12,734 inactive members who meet the requirements to receive RHIA benefits when they retire.

**Plan Audited Financial Report** – RHIA is administered by the OPERB. The comprehensive annual financial report of the funds administered by the OPERB may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, OR 97281-3700, by calling (888) 320-7377, or by accessing the PERS web site at [www.oregon.gov/pers](http://www.oregon.gov/pers).

### **OPEB Liabilities, OPEB Expense, and Deferred Outflows and Inflows of Resources Related to OPEB**

At June 30, 2022, the District reported an asset of \$2,014,892 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2021, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2019. The District's proportion of the net OPEB asset was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined.

**Proportionate Share Allocation Methodology** - The basis for the employer's proportion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers.

If the employer did not make contributions during the fiscal year, their proportionate share will be set to zero and the employer will be allocated no proportionate share of OPEB amounts. At June 30, 2022 and 2021 the District's proportion was 0.58674688% and 0.25122394%, respectively.

For the year ended June 30, 2022 the District recognized OPEB expense of \$(389,658). At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Inflows and Outflows - PERS OPEB (RHIA) Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 56,058
Changes in assumptions	39,645	29,974
Net difference between projected and actual earnings on pension plan investments	-	478,845
Changes in District's proportionate share	167,466	411,819
Total	207,111	976,696
District contributions subsequent to the measurement date	16,290	-
	<u>\$ 223,401</u>	<u>\$ 976,696</u>

Deferred outflows of resources related to OPEB of \$16,290 resulting from District contributions subsequent to the measurement date will be recognized as an increase of the net OPEB asset in the year ending June 30, 2023.

Other amounts reported as deferred outflows and inflows of resources related to OPEBs will be recognized in OPEB expense/ (income) as follows:

Deferred Inflows and Outflows - OPEB Expense	Deferred Outflows/(Inflows) Recognized in OPEB Expense
<b>Fiscal Year Ending</b>	
2023	\$ (243,000)
2024	(266,003)
2025	(109,321)
2026	(151,261)
Total	<u>\$ (769,585)</u>

**Actuarial Methods and Assumptions** - the total OPEB asset in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

• Valuation Date	December 31, 2019
• Measurement Date	June 30, 2021
• Experience Study	2018, published July 24, 2019
• Actuarial assumptions:	
▪ Actuarial cost method	Entry Age Normal
▪ Inflation rate	2.40 percent
▪ Long-term expected rate of return	6.90 percent
▪ Discount rate	6.90 percent
▪ Projected salary increases	3.40 percent
▪ Retiree healthcare participation	Healthy retirees: 32%; Disabled retirees: 20%.
▪ Healthcare cost trend rate	Not applicable
▪ Mortality	<b>Healthy retirees and beneficiaries:</b> 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. <b>Active members:</b> Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. <b>Disabled retirees:</b> Pub-2010 Disabled Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2018 Experience Study, which reviewed experience for the four-year period ended on December 31, 2018.

**Discount Rate** - The discount rate used to measure the total OPEB liability at June 30, 2021 was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

#### **Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate**

The following represents the District's proportionate share of the net OPEB asset calculated using the discount rate of 6.90%, as well as what the District's share of the net OPEB (asset) / liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
<b>Sensitivity of Total OPEB Liability</b>			
District's proportionate share of net OPEB (asset) / liability	\$ (1,781,877)	\$ (2,014,892)	\$ (2,213,944)

**Long-Term Expected Rate of Return** – To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both the actuary's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. Information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means are summarized in the following tables:

Asset Class/Strategy	OIC Policy Range			OIC Target Allocation
Debt Securities	15.0	-	25.0 %	20.0 %
Public Equity	27.5	-	37.5	32.5
Real Estate	9.5	-	15.5	12.5
Private Equity	14.0	-	21.0	17.5
Alternative Portfolio	7.5	-	17.5	15.0
Opportunity Portfolio <sup>1</sup>	0.0	-	5.0	0.0
Risk Parity	0.0	-	2.5	2.5
<b>Total</b>				<b>100.0 %</b>

<sup>1</sup> Opportunity Portfolio is an investment strategy and it may be invested up to 5% of total plan net position.

**Long-Term Expected Rate of Return <sup>1</sup>**

Asset Class	Target Allocation	Annual Arithmetic Return <sup>2</sup>	20-Year Annualized Geometric Mean	Annual Standard Deviation
Global Equity	30.62 %	7.11 %	5.85 %	17.05 %
Private Equity	25.50	11.35	7.71	30.00
Core Fixed Income	23.75	2.80	2.73	3.85
Real Estate	12.25	6.29	5.66	12.00
Master Limited Partnerships	0.75	7.65	5.71	21.30
Infrastructure	1.50	7.24	6.26	15.00
Commodities	0.63	4.68	3.10	18.85
Hedge Fund of Funds- Multistrategy	1.25	5.42	5.11	8.45
Hedge Fund Equity - Hedge	0.63	5.85	5.31	11.05
Hedge Fund - Macro	5.62	5.33	5.06	7.90
US Cash	-2.50 <sup>3</sup>	1.77	1.76	1.20
Assumed Inflation - Mean			2.40 %	1.65 %

<sup>1</sup> Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, including revisions adopted at the OIC meeting on June 2, 2021.

<sup>2</sup> The arithmetic mean is a component that goes into calculating the geometric mean. Expected rates of return are presented using the geometric mean, which the Board uses in setting the discount rate.

<sup>3</sup> Negative allocation to cash represents levered exposure from the allocation to Risk Parity strategy.

**G. Commitments and contingencies**

As of June 30, 2022, the District is committed under various accepted bid agreements and contracts for approximately \$1.06 million for goods, services and construction of facilities.

## Required Supplementary Information







### Tualatin Valley Fire and Rescue

Schedule of the District's Proportionate Share of the Net Pension (Asset)/Liability  
**Oregon Public Employee Retirement Pension Plan (PERS)**  
 Last Ten Fiscal Years

Fiscal Year Ended <sup>(1)</sup>	District's Proportion of the Net Pension (Asset)/Liability <sup>(2)</sup>	District's Proportionate Share of the Net Pension (Asset)/Liability <sup>(2)</sup>	District's Covered Payroll	District's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension (Asset)/Liability <sup>(2)</sup>
2013					
2014	0.59075779 %	\$ 30,147,236	\$ 40,213,636	74.97 %	92.00 %
2015	0.61510615	(13,390,794)	44,696,865	(29.96)	103.60
2016	0.62023120	34,235,839	45,800,597	74.75	91.88
2017	<sup>(3)</sup> 0.63190892	94,864,201	49,353,156	192.22	80.52
2018	0.62514650	84,269,985	57,481,482	146.60	83.10
2019	0.65421658	99,105,195	60,601,623	163.54	82.10
2020	0.75884994	131,262,866	61,375,124	213.87	80.20
2021	0.70612510	154,100,784	67,897,060	226.96	75.80
2022	0.66061580	79,052,457	72,682,101	108.76	87.60

<sup>(1)</sup> Data not available prior to 2014. Ten-year trend information required by GASB Statement 68 will be presented prospectively.

<sup>(2)</sup> Actuarial information provided by the actuary for PERS.

<sup>(3)</sup> Restated in 2018 to include the merged District 2 as part of the beginning balance of 2018.

**Tualatin Valley Fire and Rescue**  
Schedule of the District's Pension Plan Contributions  
**Oregon Public Employee Retirement Pension Plan (PERS)**  
Last Ten Fiscal Years

Fiscal Year Ended <sup>(1)</sup>	Contractually Required Contributions <sup>(2)</sup>	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency /(Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2013					
2014	\$ 5,390,098	\$ 5,390,098	\$ -	\$ 44,696,865	12.06 %
2015	6,170,579	6,170,579	-	45,800,597	13.47
2016	6,481,916	6,481,916	-	49,353,156	13.13
2017 <sup>(3)</sup>	7,467,361	7,467,361	-	57,481,482	12.99
2018	10,663,956	10,663,956	-	60,601,623	17.60
2019	11,275,405	11,275,405	-	61,375,124	18.37
2020	15,206,745	15,206,745	-	67,897,060	22.40
2021	16,058,549	16,058,549	-	72,682,101	22.09
2022	17,723,007	17,723,007	-	73,493,624	24.12

(1)

Data not available prior to 2014. Ten-year trend information required by GASB Statement 68 will be presented prospectively.

(2)

Actuarial information provided by the actuary for PERS.

(3)

Restated in 2018 to include the merged District 2 as part of the beginning balance of 2018.

**Tualatin Valley Fire and Rescue**  
**Single-Employer Defined Benefit Pension Plan**<sup>(1)(2)</sup>  
Schedule of Total Pension Liability and  
Schedule of Changes in Total Pension Liability  
Last Ten Fiscal Years

**Schedule of Total Pension Liability (TPL)**

Fiscal Year Ended June 30,	Total Pension Liability	Covered Employee Payroll <sup>(3)</sup>	TPL as a Percentage of Covered Payroll
2013			
2014			
2015	\$ 2,339,780	N/A	N/A
2016	1,659,564	N/A	N/A
2017	1,380,164	N/A	N/A
2018	1,089,830	N/A	N/A
2019	878,143	N/A	N/A
2020	523,036	N/A	N/A
2021	422,209	N/A	N/A
2022	222,699	N/A	N/A

**Schedule of Changes in Total Pension Liability**

Fiscal Year Ended June 30,	TPL Beginning Balance	Service Costs	Interest on the TPL	Benefit Payments	Changes of Assumptions	Experience (Gain) or Loss	TPL Ending Balance
2013							
2014							
2015							
2016	\$ 2,339,780	\$ -	\$ 69,310	\$ (347,682)	\$ (46,913)	\$ (354,931)	\$ 1,659,564
2017	1,659,564	-	47,870	(340,898)	-	13,628	1,380,164
2018	1,380,164	-	46,941	(334,431)	(98,845)	96,001	1,089,830
2019	1,089,830	-	37,357	(280,329)	-	31,285	878,143
2020	878,143	-	17,778	(147,375)	21,504	(247,014)	523,036
2021	523,036	-	10,331	(111,158)	-	-	422,209
2022	422,209	-	8,490	(76,076)	(16,966)	(114,958)	222,699

<sup>(1)</sup> These schedules are to be presented as 10-year schedules under the requirements of GASB Statement 73; however, until a full 10 year trend has been compiled information is presented only for the years for which the required supplementary information is available.

<sup>(2)</sup> There are no assets accumulated in a trust to pay related benefits for this plan.

<sup>(3)</sup> The pension plan is a closed plan; therefore there is no related covered payroll.

# **Tualatin Valley Fire and Rescue**

## **LOSAP Plan<sup>(1)(2)</sup>**

Schedule of Total Pension Liability and  
Schedule of Changes in Total Pension Liability  
Last Ten Fiscal Years

### **Schedule of Total Pension Liability (TPL)**

Fiscal Year Ended June 30,	Total Pension Liability	Covered Employee Payroll <sup>(3)</sup>	TPL as a Percentage of Covered Payroll
2013			
2014			
2015	\$ 136,278	N/A	N/A
2016	180,853	N/A	N/A
2017 <sup>(4)</sup>	319,617	N/A	N/A
2018	289,286	N/A	N/A
2019	279,655	N/A	N/A
2020	326,156	N/A	N/A
2021	313,420	N/A	N/A
2022	255,174	N/A	N/A

### **Schedule of Changes in Total Pension Liability**

Fiscal Year Ended June 30,	TPL Beginning Balance	Service Costs	Interest on the TPL	Benefit Payments	Changes of Assumptions	Experience (Gain) or Loss	TPL Ending Balance
2013							
2014							
2015							
2016	\$ 136,278	\$ -	\$ 4,212	\$ (9,300)	\$ 40,688	\$ 8,975	\$ 180,853
2017	180,853	-	5,640	(10,075)	-	853	177,271
2018 <sup>(4)</sup>	319,617	-	11,995	(19,355)	(31,094)	8,123	289,286
2019	289,286	-	10,800	(20,431)	-	-	279,655
2020	279,655	-	5,958	(20,130)	51,386	9,287	326,156
2021	326,156	-	6,990	(19,726)	-	-	313,420
2022	313,420	-	10,197	(50,738)	(39,074)	21,369	255,174

<sup>(1)</sup> These schedules are to be presented as 10-year schedules under the requirements of GASB Statement 73; however, until a full 10 year trend has been compiled information is presented only for the years for which the required supplementary information is available.

<sup>(2)</sup> There are no assets accumulated in a trust to pay related benefits for this plan.

<sup>(3)</sup> The LOSAP plans are closed plans; therefore there is no related covered payroll.

<sup>(4)</sup> Restated in 2018 to include the merged District 2 as part of the beginning balance of FY 2018.

## Tualatin Valley Fire and Rescue

Schedule of the District's Total OPEB Liability <sup>(1)</sup>

### Single-employer plan - TVFR Health Benefit Retiree Program <sup>(2)</sup>

Last Ten Fiscal Years

#### Schedule of Total OPEB Liability (TOL)

Fiscal Year Ended June 30,	Total OPEB Liability	Covered Employee Payroll	TOL as a Percentage of Covered Payroll
2013			
2014			
2015			
2016			
2017	\$ 1,061,021	\$ 8,550,081	12.4%
2018	1,209,491	8,763,833	13.8%
2019	1,139,318	8,982,929	12.7%
2020	888,545	9,787,982	9.1%
2021	824,653	10,032,682	8.2%
2022	699,217	8,865,193	7.9%

#### Schedule of Changes in Total OPEB Liability

Fiscal Year Ended June 30,	TOL Beginning Balance	Service Costs	Interest on the TOL	Benefit Payments	Changes of Assumptions	Experience (Gain) or Loss	TOL Ending Balance
2013							
2014							
2015							
2016							
2017							
2018	\$ 1,061,021	\$ 25,581	\$ 38,923	\$ (110,509)	\$ (78,272)	\$ 272,747	\$ 1,209,491
2019	1,209,491	26,221	44,089	(140,483)	-	-	1,139,318
2020	1,139,318	25,161	23,709	(133,046)	(246,462)	79,865	888,545
2021	888,545	25,790	18,442	(108,124)	-	-	824,653
2022	824,653	15,972	27,554	(92,606)	(168,730)	92,374	699,217

<sup>(1)</sup> These schedules are to be presented as 10-year schedules under the requirements of GASB Statement 75; however, until a full 10-year trend has been compiled information is presented only for the years for which the required supplementary information is available.

<sup>(2)</sup> There are no assets accumulated in a trust to pay related benefits for this plan.

### Tualatin Valley Fire and Rescue

Schedule of the District's Proportionate Share of the Total OPEB Liability <sup>(1)</sup>  
**Multiple-employer cost-sharing plan - Health Benefit Retiree Program <sup>(2)</sup>**  
 Last Ten Fiscal Years

#### Schedule of Total OPEB Liability (TOL)

Fiscal Year Ended June 30,	District's Proportion of the Total OPEB Liability <sup>(3)</sup>	District's Proportionate Share of the Total OPEB Liability <sup>(3)</sup>	District's Covered Employee Payroll	District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll
2013				
2014				
2015				
2016				
2017	88.4842 %	\$ 4,263,854	\$ 47,782,346	8.92 %
2018	88.4842	4,534,544	49,971,560	9.07
2019	81.2642	10,871,311	51,600,155	21.07
2020	81.2642	11,522,636	57,533,063	20.03
2021	80.6557	17,065,380	61,991,762	27.53
2022	80.6557	18,107,681	63,769,234	28.40

#### Schedule of Changes in Total OPEB Liability

Fiscal Year Ended June 30,	TOL Beginning Balance	Service Costs	Interest on the TOL	Benefit Payments	Changes of Assumptions	Change of Share	Experience (Gain) or Loss	TOL Ending Balance
2013								
2014								
2015								
2016								
2017								
2018	\$ 4,263,854	\$ 292,871	\$ 149,572	\$ (171,753)	\$ -	\$ -	\$ -	\$ 4,534,544
2019	4,534,544	3,061,188	-	(405,625)	3,638,403	(343,384)	386,185	10,871,311
2020	10,871,311	711,268	372,921	(432,864)	-	-	-	11,522,636
2021	11,522,636	1,993,671	-	(335,707)	4,165,807	(48,523)	(232,504)	17,065,380
2022	17,065,380	1,153,489	363,485	(474,673)	-	-	-	18,107,681

<sup>(1)</sup> These schedules are to be presented as 10-year schedules under the requirements of GASB Statement 75; however, until a full 10-year trend has been compiled information is presented only for the years for which the required supplementary information is available.

<sup>(2)</sup> There are no assets accumulated in a trust to pay related benefits for this plan.

<sup>(3)</sup> Actuarial information provided by the actuary for the multiple-employer cost-sharing plan.

**Tualatin Valley Fire and Rescue**

Schedule of the District's Proportionate Share of the Net OPEB (Asset)/Liability<sup>(1)</sup>

**Oregon Public Employee Retirement Plan (PERS - RHIA)**

Last Ten Fiscal Years

Fiscal Year Ended June 30,	District's Proportion of the Net OPEB (Asset)/Liability <sup>(2)</sup>	District's Proportionate Share of the Net OPEB (Asset)/Liability <sup>(2)</sup>	District's Covered Payroll	District's Proportionate Share of the Net OPEB (Asset)/Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB (Asset)/ Liability <sup>(2)</sup>
2013					
2014					
2015					
2016					
2017	0.53693204 %	\$ 145,811	\$ 49,353,156	0.30 %	94.20 %
2018	0.56490398	(235,757)	57,481,482	(0.41)	108.90
2019	0.58338333	(651,214)	60,601,623	(1.07)	123.99
2020	0.59796049	(1,155,475)	61,375,124	(1.88)	144.40
2021	0.25122394	(511,894)	67,897,060	(0.75)	150.07
2022	0.58674688	(2,014,892)	72,682,101	(2.77)	183.86

<sup>(1)</sup> Data not available prior to 2017. Ten-year trend information required by GASB Statement 75 will be presented prospectively.

<sup>(2)</sup> Actuarial information provided by the actuary for PERS.

Schedule of the District's OPEB Plan Contributions<sup>(1)</sup>

**Oregon Public Employee Retirement Plan (PERS - RHIA)**

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Contractually Required Contributions <sup>(2)</sup>	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency /(Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2013					
2014					
2015					
2016					
2017	\$ 281,240	\$ 281,240	-	\$ 57,481,482	0.49 %
2018	282,476	282,476	-	60,601,623	0.47
2019	296,361	296,361	-	61,375,124	0.48
2020	17,940	17,940	-	67,897,060	0.03
2021	15,699	15,699	-	72,682,101	0.02
2022	16,290	16,290	-	73,493,624	0.02

<sup>(1)</sup> Data not available prior to 2017. Ten-year trend information required by GASB Statement 75 will be presented prospectively.

<sup>(2)</sup> Actuarial information provided by the actuary for PERS.

## Pension Plans

### 1. Oregon Public Employee Retirement Pension Plan (PERS)

#### Changes in Assumption, Actuarial Methods and Allocation Procedures

The key changes in the December 31, 2019 actuarial valuation which was used in the pension calculations and amounts reported for the fiscal year ended June 30, 2022 are described below. Additional detail and a comprehensive list of changes in methods and assumptions since the December 31, 2018 actuarial valuation can be found in the system-wide report at: [PERS Actuarial Valuation](#).

#### Changes in Actuarial Methods and Allocation Procedures

Senate Bill 1049 was signed into law in June 2019 and requires a one-time re-amortization of Tier 1/Tier 2 UAL over a closed 22-year period at the December 31, 2019 rate-setting actuarial valuation, which will set actuarially determined contribution rates for the 2021-2023 biennium.

### 2. Single-Employer Defined Benefit Pension Plan

There are no assets accumulated in a trust that meets the criteria of GASB 73 to pay related benefits.

- Valuation date: June 30, 2022
- Actuarial determined contribution method: Pay-as-you-go
- Inflation (post retirement COLA): 3.1% 1973 Plan, 2.0% 1976 Plan
- Discount rate: 3.54%
- Investment rate of return (net of expenses): N/A as plan is unfunded
- Mortality assumptions: RP-2014 Blue Collar generation tables projected forward using Scale MP 2019

### 3. Volunteer Length of Service Award Plan (LOSAP)

There are no assets accumulated in a trust that meets the criteria of GASB 73 to pay related benefits.

- Valuation date: June 30, 2022
- Actuarial determined contribution method: Pay-as-you-go
- Actuarial cost method: Entry age normal
- Inflation (post retirement COLA): 0.0%
- Discount rate: 3.54%
- Investment rate of return (net of expenses): N/A as plan is unfunded
- Mortality assumptions: RP-2014 Blue Collar generation tables projected forward using Scale MP 2021



## Other Post-Employment Benefit Plans

### 1. Health Benefit Retiree Program – Single Employer Plan

There are no assets accumulated in a trust that meets the criteria of GASB 75 to pay related benefits.

- Valuation date: June 30, 2022
- Actuarial method: Entry age normal level percent of pay
- Inflation: 2.5%
- Discount rate: 3.54%
- Medical insurance premium claims trend: 5% annual increases
- Retirement rates: PERS valuation for General Service and Public Safety employees dated December 31, 2020

### 2. Health Benefit Retiree Program – Multiple-Employer Cost-Sharing Plan

There are no assets accumulated in a trust that meets the criteria of GASB 75 to pay related benefits.

- Valuation date: June 30, 2021
- Actuarial method: Entry age normal level percent of pay
- Inflation: 2.5%
- Discount rate: 2.16%
- Salary scale: Annual increases 3.5% in all future years
- Medical insurance premium and early retirement premium annual trend: 6% initial annual increase in 2022, reducing to 5% over 2 years
- Dental insurance premium annual trend: Equal to the premiums paid
- Participation rates: 45% of eligible employees will continue medical coverage after retirement

### 3. Oregon Public Employee Retirement OPEB Plan - PERS RHIA

#### Changes of Actuarial Methods and Allocation Procedures

There were no key changes implemented with the December 31, 2019 actuarial valuation.

#### Changes of Economic Assumptions

**Discount Rate** – The discount rate used to measure the total OPEB liability at June 30, 2022 was lowered from 7.20% to 6.90%.

#### Changes in Demographic Assumptions

There were no changes to demographic assumptions with the December 31, 2019 actuarial valuation.



## Other Supplementary Information





## Tualatin Valley Fire and Rescue

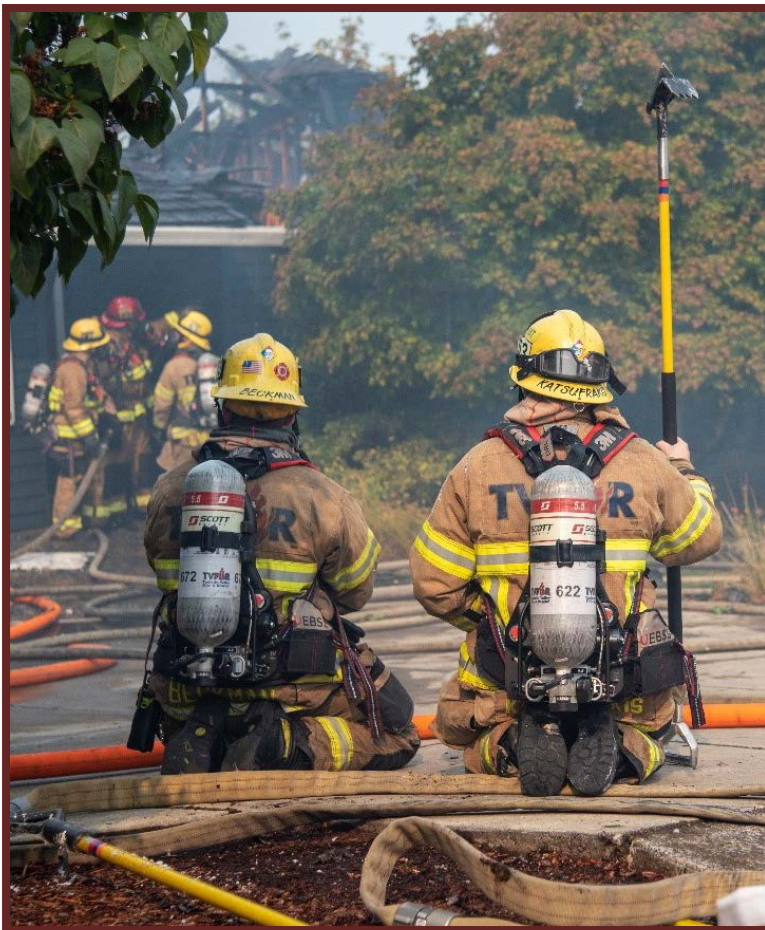
### Capital Projects Fund

Schedule of Revenues, Expenditures, Other Financing Sources (Uses), and Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>Revenues</b>				
Investment earnings	\$ -	\$ -	\$ 73,633	\$ 73,633
<b>Expenditures</b>				
Materials and services	-	4,000,000	245,417	3,754,583
Capital outlay	-	40,000,000	1,603,403	38,396,597
Operating contingency	-	6,000,000	-	6,000,000
Total expenditures	-	50,000,000	1,848,820	48,151,180
Excess (deficiency) of revenues over (under) expenditures	-	(50,000,000)	(1,775,187)	48,224,813
<b>Other Financing Sources (Uses)</b>				
Proceeds from debt issuance	-	50,000,000	49,730,000	(270,000)
Premium from debt issuance	-	-	9,683,116	9,683,116
Total other financing sources (uses)	-	50,000,000	59,413,116	9,413,116
Net change in fund balance	-	-	57,637,929	57,637,929
Fund balance - June 30, 2021	-	-	-	-
Fund balance - June 30, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,637,929</u>	<u>\$ 57,637,929</u>

# Nonmajor Governmental Funds

These funds account for the accumulation of resources for particular activities or functions from designated sources. Funds included in this category are:



## **Special Revenue Funds:**

The *MERRC Fund* accounts for program fees used for the acquisition of mobile emergency responder radio coverage approved equipment.

The *Grants Fund* accounts for the resources used for the acquisition of items approved through awarded grants.

## **Debt Service Fund:**

The *Debt Service Fund* accounts for payment of general obligation bond principal and interest. The principal source of revenue is property taxes.

## **Capital Projects Fund:**

The *Property and Building Fund* accounts for the expenditures for site acquisition and construction projects.

# Tualatin Valley Fire and Rescue

Combining Balance Sheet

## Nonmajor Governmental Funds

June 30, 2022

	<i>Special Revenue</i>		<i>Debt Service</i>	<i>Capital Projects</i>	
	MERRC Fund	Grants Fund	Debt Service Fund	Property and Building Fund	Total Nonmajor Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 2,628,645	\$ 110,692	\$ 422,444	\$ 3,643,556	\$ 6,805,337
Receivables:					
Property taxes receivable	-	-	184,479	-	184,479
Accounts receivable	-	-	-	162,277	162,277
Total assets	<u>\$ 2,628,645</u>	<u>\$ 110,692</u>	<u>\$ 606,923</u>	<u>\$ 3,805,833</u>	<u>\$ 7,152,093</u>
<b>Liabilities</b>					
Accounts payable	\$ 714	\$ 1,425	\$ -	\$ 3,569	\$ 5,708
Total liabilities	<u>714</u>	<u>1,425</u>	<u>-</u>	<u>3,569</u>	<u>5,708</u>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue - property taxes	-	-	159,953	-	159,953
Unavailable revenue - other	-	-	-	117,200	117,200
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>159,953</u>	<u>117,200</u>	<u>277,153</u>
<b>Fund Balances</b>					
Restricted	-	-	446,970	-	446,970
Committed	2,627,931	109,267	-	-	2,737,198
Assigned	-	-	-	3,685,064	3,685,064
Total fund balances	<u>2,627,931</u>	<u>109,267</u>	<u>446,970</u>	<u>3,685,064</u>	<u>6,869,232</u>
Total deferred inflows of resources, and fund balances	<u>\$ 2,628,645</u>	<u>\$ 110,692</u>	<u>\$ 606,923</u>	<u>\$ 3,805,833</u>	<u>\$ 7,152,093</u>

## Tualatin Valley Fire and Rescue

Combining Schedule of Revenues, Expenditures, Other Financing Sources (Uses), and Changes in Fund Balances

### Nonmajor Governmental Funds

For the Year Ended June 30, 2022

	<i>Special Revenue</i>		<i>Debt Service</i>	<i>Capital Projects</i>	
	MERRC Fund	Grants Fund	Debt Service Fund	Property and Building Fund	Total Nonmajor Governmental Funds
<b>Revenues</b>					
Property taxes	\$ -	\$ -	\$ 9,502,737	\$ -	\$ 9,502,737
Investment earnings	12,827	-	27,797	18,556	59,180
Charges for services	-	1,380	-	-	1,380
Program fees	570,183	-	-	-	570,183
Operating grants and contributions	-	8,143	-	-	8,143
Insurance refunds	-	-	-	145,405	145,405
Total revenues	<u>583,010</u>	<u>9,523</u>	<u>9,530,534</u>	<u>163,961</u>	<u>10,287,028</u>
<b>Expenditures</b>					
Current:					
Public safety:					
Personnel services	-	1,380	-	-	1,380
Materials and services	-	13,328	-	-	13,328
Capital outlay	23,150	-	-	290,071	313,221
Debt service:					
Principal	-	-	8,730,000	-	8,730,000
Interest	-	-	798,748	-	798,748
Total expenditures	<u>23,150</u>	<u>14,708</u>	<u>9,528,748</u>	<u>290,071</u>	<u>9,856,677</u>
Excess (deficiency) of revenues over (under) expenditures	<u>559,860</u>	<u>(5,185)</u>	<u>1,786</u>	<u>(126,110)</u>	<u>430,351</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	-	200,000	200,000
Total financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>200,000</u>
Net change in fund balances	559,860	(5,185)	1,786	73,890	630,351
Fund balances - June 30, 2021	<u>2,068,071</u>	<u>114,452</u>	<u>445,184</u>	<u>3,611,174</u>	<u>6,238,881</u>
Fund balances - June 30, 2022	<u>\$ 2,627,931</u>	<u>\$ 109,267</u>	<u>\$ 446,970</u>	<u>\$ 3,685,064</u>	<u>\$ 6,869,232</u>



## Tualatin Valley Fire and Rescue

### MERRC Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2022

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>Revenues</b>			
Program fees	\$ 150,000	\$ 570,183	\$ 420,183
Investment earnings	15,000	12,827	(2,173)
Total revenues	<u>165,000</u>	<u>583,010</u>	<u>418,010</u>
<b>Expenditures</b>			
Communications	100,000	23,150	76,850
Operating contingency	500,000	-	500,000
Total expenditures	<u>600,000</u>	<u>23,150</u>	<u>576,850</u>
Excess (deficiency) of revenues over (under) expenditures	(435,000)	559,860	994,860
Fund balance - June 30, 2021	2,007,068	2,068,071	61,003
Fund balance - June 30, 2022	<u>\$ 1,572,068</u>	<u>\$ 2,627,931</u>	<u>\$ 1,055,863</u>

## Tualatin Valley Fire and Rescue

### Grants Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2022

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>Revenues</b>			
Charges for services	\$ -	\$ 1,380	\$ 1,380
Operating grants and contributions	115,000	8,143	(106,857)
Total revenues	<u>115,000</u>	<u>9,523</u>	<u>(105,477)</u>
<b>Expenditures</b>			
Grants	<u>115,000</u>	<u>14,708</u>	<u>100,292</u>
Total expenditures	<u>115,000</u>	<u>14,708</u>	<u>100,292</u>
Excess (deficiency) of revenues over (under) expenditures	-	(5,185)	(5,185)
Fund balance - June 30, 2021	-	114,452	114,452
Fund balance - June 30, 2022	<u>\$ -</u>	<u>\$ 109,267</u>	<u>\$ 109,267</u>

# Tualatin Valley Fire and Rescue

## Debt Service Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2022

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>Revenues</b>			
Property taxes	\$ 9,452,749	\$ 9,494,591	\$ 41,842
Taxes in lieu	350	8,146	7,796
Investment earnings	31,900	27,797	(4,103)
Total revenues	<u>9,484,999</u>	<u>9,530,534</u>	<u>45,535</u>
<b>Expenditures</b>			
Debt service:			
Principal	8,730,000	8,730,000	-
Interest	798,749	798,748	1
Total expenditures	<u>9,528,749</u>	<u>9,528,748</u>	<u>1</u>
Excess (deficiency) of revenues over (under) expenditures	(43,750)	1,786	45,536
Fund balance - June 30, 2021	<u>212,925</u>	<u>445,184</u>	<u>232,259</u>
Fund balance - June 30, 2022	<u>\$ 169,175</u>	<u>\$ 446,970</u>	<u>\$ 277,795</u>

# Tualatin Valley Fire and Rescue

## Property and Building Fund

Schedule of Revenues, Expenditures, Other Financing Sources, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2022

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>Revenues</b>			
Investment earnings	\$ 40,000	\$ 18,556	\$ (21,444)
Insurance refunds	-	145,405	145,405
Total revenues	40,000	163,961	123,961
<b>Expenditures</b>			
Capital outlay	2,426,000	290,071	2,135,929
Operating contingency	750,000	-	750,000
Total expenditures	3,176,000	290,071	2,885,929
Excess (deficiency) of revenues over (under) expenditures	(3,136,000)	(126,110)	3,009,890
<b>Other Financing Sources</b>			
Transfers in	200,000	200,000	-
Net change in fund balance	(2,936,000)	73,890	3,009,890
Fund balance - June 30, 2021	3,250,000	3,611,174	361,174
Fund balance - June 30, 2022	\$ 314,000	\$ 3,685,064	\$ 3,371,064

# Tualatin Valley Fire and Rescue

## Insurance Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2022

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>Revenues</b>			
Investment earnings	\$ 8,437	\$ 3,725	\$ (4,712)
Insurance refunds	-	84,751	84,751
Total revenues	8,437	88,476	80,039
<b>Expenditures</b>			
Insurance	683,437	108,431	575,006
Excess (deficiency) of revenues over (under) expenditures	(675,000)	(19,955)	655,045
Fund balance - June 30, 2021	675,000	638,354	(36,646)
Fund balance - June 30, 2022	\$ -	\$ 618,399	\$ 618,399

# Tualatin Valley Fire and Rescue

## Custodial Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2022

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>Revenues</b>			
Donations	\$ 15,000	\$ 42,963	\$ 27,963
<b>Expenditures</b>			
Materials and services	150,000	37,468	112,532
Excess (deficiency) of revenues over (under) expenditures	(135,000)	5,495	140,495
Fund balance - June 30, 2021	135,000	156,862	21,862
Fund balance - June 30, 2022	\$ -	\$ 162,357	\$ 162,357

# General Fund

These funds account for the accumulation of resources for particular activities or functions from designated sources. Funds included in this category combine into the General Fund in the basic financial statements and are listed below.



**General Fund:** Accounts for the basic financial operations of the District.

**Apparatus and Vehicle Fund:** Accounts for the accumulation of resources for emergency service apparatus and vehicles.

**Capital Improvements Fund:** Accounts for the resources provided for firefighting, emergency medical service, office and fire technology and other equipment used in operations.

**Pension Fund:** Accounts for resources for the District's closed single-employer defined benefit pension plan for employees who retired prior to July 16, 1981. The principal revenue source is contributions from the General Fund.

**Volunteer LOSAP Fund:** Accounts for the accumulated resources for the District's closed Length of Service Award Plan for volunteer firefighters. The principal sources of revenue are earnings on investments.





# Tualatin Valley Fire and Rescue

## Combining Balance Sheet

### General Fund

June 30, 2022

	General Fund	Apparatus and Vehicle Fund	Capital Improvements Fund	Pension Fund	Volunteer LOSAP Fund	Eliminations	Total General Fund
<b>Assets</b>							
Cash and cash equivalents	\$ 60,202,360	\$ 3,548,449	\$ 4,573,069	\$ 1,167	\$ 5,396	\$ -	\$ 68,330,441
Investments	7,258,430	-	-	-	414,740	-	7,673,170
Receivables:							
Property taxes receivable	2,524,665	-	-	-	-	-	2,524,665
Accounts receivable (net of allowances)	1,191,687	-	-	-	-	-	1,191,687
Supplies inventory	637,881	-	-	-	-	-	637,881
<b>Total assets</b>	<u>\$ 71,815,023</u>	<u>\$ 3,548,449</u>	<u>\$ 4,573,069</u>	<u>\$ 1,167</u>	<u>\$ 420,136</u>	<u>\$ -</u>	<u>\$ 80,357,844</u>
<b>Liabilities</b>							
Accounts payable	\$ 3,548,851	\$ 91,993	\$ 83,134	\$ -	\$ 1	\$ -	\$ 3,723,979
Accrued salaries and benefits payable	10,751,018	-	-	1,167	31,098	-	10,783,283
Total liabilities	<u>14,299,869</u>	<u>91,993.00</u>	<u>83,134</u>	<u>1,167</u>	<u>31,099</u>	<u>-</u>	<u>14,507,262</u>
<b>Deferred Inflows of Resources</b>							
Unavailable revenue - property taxes	2,176,731	-	-	-	-	-	2,176,731
Unavailable revenue - transport and vaccine	411,334	-	-	-	-	-	411,334
Unavailable revenue - FEMA claim	88,199	-	-	-	-	-	88,199
Unavailable revenue - other	68,075	-	-	-	-	-	68,075
Total deferred inflows of resources	<u>2,744,339</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,744,339</u>
<b>Fund Balances</b>							
Nonspendable	637,881	-	-	-	-	-	637,881
Committed	-	3,456,456	4,489,935	-	389,037	-	8,335,428
Assigned	3,000,000	-	-	-	-	-	3,000,000
Unassigned	51,132,934	-	-	-	-	-	51,132,934
Total fund balances	<u>54,770,815</u>	<u>3,456,456</u>	<u>4,489,935</u>	<u>-</u>	<u>389,037</u>	<u>-</u>	<u>63,106,243</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 71,815,023</u>	<u>\$ 3,548,449</u>	<u>\$ 4,573,069</u>	<u>\$ 1,167</u>	<u>\$ 420,136</u>	<u>\$ -</u>	<u>\$ 80,357,844</u>

## Tualatin Valley Fire and Rescue

Combining Schedule of Revenues, Expenditures, Other Financing Sources (Uses), and Changes in Fund Balances

### General Fund

For the Year Ended June 30, 2022

	General Fund	Apparatus and Vehicle Fund	Capital Improvements Fund	Pension Fund	Volunteer LOSAP Fund	Eliminations	Total General Fund
<b>Revenues</b>							
Program revenues:							
Charges for services	\$ 7,011,981	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,011,981
Grants and contributions	1,212,244	-	-	-	-	-	1,212,244
General revenues:							
Property taxes	132,432,468	-	-	-	-	-	132,432,468
Investment earnings	369,008	13,196	20,207	-	(58,804)	-	343,607
Insurance dividends and refunds	693,889	-	-	-	-	-	693,889
Miscellaneous	307,741	-	-	-	-	-	307,741
Total revenues	<u>142,027,331</u>	<u>13,196</u>	<u>20,207</u>	<u>-</u>	<u>(58,804)</u>	<u>-</u>	<u>142,001,930</u>
<b>Expenditures</b>							
Current:							
Public safety:							
Personnel services	123,745,084	-	-	76,076	41,518	-	123,862,678
Materials and services	12,798,320	4,187	1,274,722	-	-	-	14,077,229
Debt service:							
Principal	166,996	-	-	-	-	-	166,996
Interest	25,239	-	-	-	-	-	25,239
Capital outlay	748,914	1,613,074	2,617,182	-	-	-	4,979,170
Total expenditures	<u>137,484,553</u>	<u>1,617,261</u>	<u>3,891,904</u>	<u>76,076</u>	<u>41,518</u>	<u>-</u>	<u>143,111,312</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,542,778</u>	<u>(1,604,065)</u>	<u>(3,871,697)</u>	<u>(76,076)</u>	<u>(100,322)</u>	<u>-</u>	<u>(1,109,382)</u>
<b>Other Financing Sources (Uses)</b>							
Transfers in	-	1,996,750	2,832,507	76,076	-	(4,905,333)	-
Transfers out	(5,105,333)	-	-	-	-	4,905,333	(200,000)
Proceeds on sale of surplus property	11,002	-	15,525	-	-	-	26,527
Lease financing	748,914	-	-	-	-	-	748,914
Total Other Financing Sources (Uses)	<u>(4,345,417)</u>	<u>1,996,750</u>	<u>2,848,032</u>	<u>76,076</u>	<u>-</u>	<u>-</u>	<u>575,441</u>
Net change in fund balances	<u>197,361</u>	<u>392,685</u>	<u>(1,023,665)</u>	<u>-</u>	<u>(100,322)</u>	<u>-</u>	<u>(533,941)</u>
Fund balances - June 30, 2021	54,573,454	3,063,771	5,513,600	-	489,359	-	63,640,184
Fund balances - June 30, 2022	<u>\$ 54,770,815</u>	<u>\$ 3,456,456</u>	<u>\$ 4,489,935</u>	<u>\$ -</u>	<u>\$ 389,037</u>	<u>\$ -</u>	<u>\$ 63,106,243</u>

## Tualatin Valley Fire and Rescue

### Apparatus and Vehicle Fund

Schedule of Revenues, Expenditures, Other Financing Sources, and Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2022

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>Revenues</b>			
Investment earnings	\$ 50,000	\$ 13,196	\$ (36,804)
<b>Expenditures</b>			
Apparatus and vehicles	2,443,150	1,617,261	825,889
Operating contingency	650,000	-	650,000
Total expenditures	3,093,150	1,617,261	1,475,889
Excess (deficiency) of revenues over (under) expenditures	(3,043,150)	(1,604,065)	1,439,085
<b>Other Financing Sources</b>			
Transfers in	1,996,750	1,996,750	-
Total other financing sources	1,996,750	1,996,750	-
Net change in fund balance	(1,046,400)	392,685	1,439,085
Fund balance - June 30, 2021	3,436,400	3,063,771	(372,629)
Fund balance - June 30, 2022	\$ 2,390,000	\$ 3,456,456	\$ 1,066,456

# Tualatin Valley Fire and Rescue

## Capital Improvements Fund

Schedule of Revenues, Expenditures, Other Financing Sources, and Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2022

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>Revenues</b>			
Investment earnings	\$ 50,000	\$ 20,207	\$ (29,793)
Total revenues	<u>50,000</u>	<u>20,207</u>	<u>(29,793)</u>
<b>Expenditures</b>			
Capital improvements	4,417,960	3,891,904	526,056
Operating contingency	1,500,000	-	1,500,000
Total expenditures	<u>5,917,960</u>	<u>3,891,904</u>	<u>2,026,056</u>
Excess (deficiency) of revenues over (under) expenditures	(5,867,960)	(3,871,697)	1,996,263
<b>Other Financing Sources</b>			
Transfers in	2,832,507	2,832,507	-
Proceeds on sale of surplus property	2,500	15,525	13,025
Total other financing sources	<u>2,835,007</u>	<u>2,848,032</u>	<u>13,025</u>
Net change in fund balance	(3,032,953)	(1,023,665)	2,009,288
Fund balance - June 30, 2021	6,056,000	5,513,600	(542,400)
Fund balance - June 30, 2022	<u>\$ 3,023,047</u>	<u>\$ 4,489,935</u>	<u>\$ 1,466,888</u>

## Tualatin Valley Fire and Rescue

### Pension Fund

Schedule of Expenditures, Other Financing Sources, and Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2022

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>Expenditures</b>			
Personnel services	\$ 78,000	\$ 76,076	\$ 1,924
Excess (deficiency) of revenues over (under) expenditures	(78,000)	(76,076)	1,924
<b>Other Financing Sources</b>			
Transfers in	78,000	76,076	(1,924)
Fund balance - June 30, 2021	-	-	-
Fund balance - June 30, 2022	\$ -	\$ -	\$ -

## Tualatin Valley Fire and Rescue

### Volunteer LOSAP Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2022

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>Revenues</b>			
Investment earnings	\$ 16,200	\$ (58,804)	\$ (75,004)
<b>Expenditures</b>			
Personnel services	447,500	41,518	405,982
Excess (deficiency) of revenues over (under) expenditures	(431,300)	(100,322)	330,978
Fund balance - June 30, 2021	431,300	489,359	58,059
Fund balance - June 30, 2022	\$ -	\$ 389,037	\$ 389,037

**Tualatin Valley Fire and Rescue**  
**Schedule of Property Tax Transactions and Outstanding Balances**  
for the fiscal year ended June 30, 2022

	Taxes Uncollected June 30, 2021	Add Levy as Extended by Assessor	Add (Deduct) Discounts Allowed	Add Interest Received	(Deduct) Cancellations and Adjustments	(Deduct) Collections	Taxes Uncollected June 30, 2022
2021-22	\$	\$ 145,699,054	\$ (3,388,671)	\$ 18,762	\$ (986,069)	\$ (139,769,702)	\$ 1,573,373
2020-21	1,634,054	-	793	32,357	8,909	(1,057,669)	618,443
2019-20	547,204	-	619	23,790	30,556	(329,305)	272,863
2018-19	256,404	-	886	19,283	19,134	(189,687)	106,021
2017-18	100,409	-	81	9,627	19,260	(93,527)	35,849
2016-17	34,812	-	1	2,134	4,082	(19,223)	21,805
2016 and prior	95,016	-	(95)	4,174	12,833	(31,138)	80,790
Total prior	2,667,897	-	2,286	91,363	94,774	(1,720,549)	1,135,771
Total	<u>\$ 2,667,897</u>	<u>\$ 145,699,054</u>	<u>\$ (3,386,385)</u>	<u>\$ 110,125</u>	<u>\$ (891,295)</u>	<u>\$ (141,490,251)</u>	<u>\$ 2,709,144</u>

	General Fund	Debt Service Fund	Total
Reconciliation to tax revenues on basic financial statements:			
Property tax collections above	\$ 131,992,567	\$ 9,497,684	\$ 141,490,251
Property taxes susceptible to accrual at June 30, 2022	347,933	24,526	372,459
Property taxes susceptible to accrual at June 30, 2021	(404,403)	(27,619)	(432,022)
Taxes in lieu of property taxes	112,942	8,146	121,088
Forest revenues	383,429	-	383,429
Tax revenues	<u>\$ 132,432,468</u>	<u>\$ 9,502,737</u>	<u>\$ 141,935,205</u>

	Property Taxes		Taxes in Lieu of Property Taxes	Forest Revenues	Total	Taxes Uncollected June 30, 2022
	Current Levy	Prior Years				
<b>DISTRIBUTED AS FOLLOWS:</b>						
General Fund	\$ 130,651,153	\$ 1,284,944	\$ 112,942	\$ 383,429	\$ 132,432,468	\$ 2,524,665
Debt Service Fund	9,410,499	84,092	8,146	-	9,502,737	184,479
Total	<u>\$ 140,061,652</u>	<u>\$ 1,369,036</u>	<u>\$ 121,088</u>	<u>\$ 383,429</u>	<u>\$ 141,935,205</u>	<u>\$ 2,709,144</u>





# Statistical Section

This part of the District’s Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the basic financial statements, note disclosures, and required supplementary information says about the District’s overall financial health.



Contents	Page
<b>Financial Trends:</b>	123
These schedules contain trend information to help the reader understand how the District’s financial performance and well-being have changed over time.	
<b>Revenue Capacity:</b>	127
These schedules contain information to help the reader assess the District’s most significant local revenue source, property tax.	
<b>Debt Capacity:</b>	132
These schedules present information to help the reader assess the affordability of the District’s current levels of outstanding debt and the District’s ability to issue additional debt in the future.	
<b>Demographic and Economic Information:</b>	136
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District’s financial activities take place.	

<b>Operating Information:</b>	138
These schedules contain service and infrastructure data to help the reader understand how the information in the District’s financial report relates to the services the District provides and the activities it performs.	

*Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant years.*



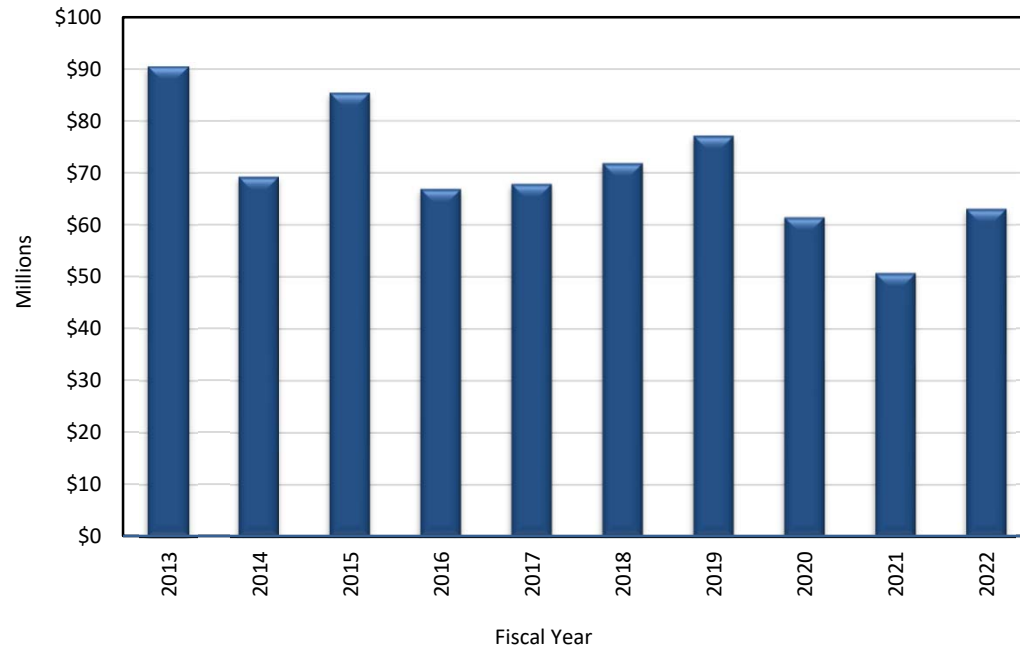
## Tualatin Valley Fire and Rescue

### Net Position by Component

Last Ten Fiscal Years  
(accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Governmental Activities:</b>										
Net investment in										
capital assets	\$ 30,971,036	\$ 31,417,412	\$ 30,872,433	\$ 33,700,603	\$ 44,792,301	\$ 60,617,099	\$ 68,729,108	\$ 81,401,630	\$ 93,749,164	\$ 101,010,673
Restricted	1,626,185	1,541,173	1,355,457	1,432,449	1,274,655	374,852	1,259,629	1,581,069	957,078	2,461,862
Unrestricted	57,945,008	36,267,390	53,184,779	31,728,130	21,779,615	10,796,556	7,116,549	(21,560,353)	(44,016,326)	(40,410,739)
Total net position	<u>\$ 90,542,229</u>	<u>\$ 69,225,975</u>	<u>\$ 85,412,669</u>	<u>\$ 66,861,182</u>	<u>\$ 67,846,571</u>	<u>\$ 71,788,507</u>	<u>\$ 77,105,286</u>	<u>\$ 61,422,346</u>	<u>\$ 50,689,916</u>	<u>\$ 63,061,796</u>

### Total Net Position



## Tualatin Valley Fire and Rescue

### Changes in Net Position

Last Ten Fiscal Years  
(accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Program Revenues</b>										
Governmental activities:										
Charges for services <sup>(1), (2)</sup>	\$ 1,383,399	\$ 1,939,665	\$ 2,183,509	\$ 2,823,408	\$ 12,175,225	\$ 10,750,717	\$ 5,525,098	\$ 4,938,862	\$ 8,738,228	\$ 5,872,742
Operating grants and contributions	1,161,457	168,769	699,265	384,686	710,090	1,473,000	957,222	4,414,344	2,893,180	402,535
Capital grants and contributions	-	-	-	-	2,823,077	108,161	-	774,417	-	1,368,041
Total primary government program revenues	2,544,856	2,108,434	2,882,774	3,208,094	15,708,392	12,331,878	6,482,320	10,127,623	11,631,408	7,643,318
<b>General Revenues</b>										
Property taxes <sup>(3)</sup>	79,853,105	82,677,581	85,582,417	100,265,764	103,767,491	111,451,601	122,384,122	127,879,924	137,046,296	142,036,014
Investment earnings	336,512	276,632	276,125	349,882	620,167	972,980	1,577,729	1,360,504	653,058	480,145
Insurance dividends and refunds	527,435	882,340	551,766	443,628	424,645	535,576	566,185	561,902	1,187,165	882,517
Special item	-	-	-	-	-	-	7,873,937	-	-	-
Miscellaneous	400,202	91,807	353,105	114,426	176,892	310,252	505,740	311,177	475,076	320,704
Total primary government general revenue	81,117,254	83,928,360	86,763,413	101,173,700	104,989,195	113,270,409	132,907,713	130,113,507	139,361,595	143,719,380
<b>Expenses</b>										
Governmental activities:										
Public safety - fire protection	78,142,770	80,967,876	69,798,428	121,399,775	116,142,631	121,283,168	134,235,643	155,501,062	160,985,973	138,388,012
Interest on long-term debt	2,315,227	2,211,384	1,916,016	2,037,260	1,904,040	1,323,598	1,545,144	423,008	819,514	1,100,781
Total primary government expenses	80,457,997	83,179,260	71,714,444	123,437,035	118,046,671	122,606,766	135,780,787	155,924,070	161,805,487	139,488,793
Total primary government net revenue/expense	3,204,113	2,857,534	17,931,743	(19,055,241)	2,650,916	2,995,521	3,609,246	(15,682,940)	(10,812,484)	11,873,905
<b>Other Changes in Net Position</b>										
Gain on sale/impairment of capital assets	551,304	583,350	94,503	503,754	996,434	87,801	-	-	80,054	497,975
<b>Change in Net Position</b>										
Total primary government	\$ 3,755,417	\$ 3,440,884	\$ 18,026,246	\$ (18,551,487)	\$ 3,647,350	\$ 3,083,322	\$ 3,609,246	\$ (15,682,940)	\$ (10,732,430)	\$ 12,371,880

<sup>(1)</sup> Beginning in 2017, the District entered into contractual agreements with Washington County Fire District No. 2, the City of Newberg, and Newberg Rural Fire Protection District for fire protection and EMS services.

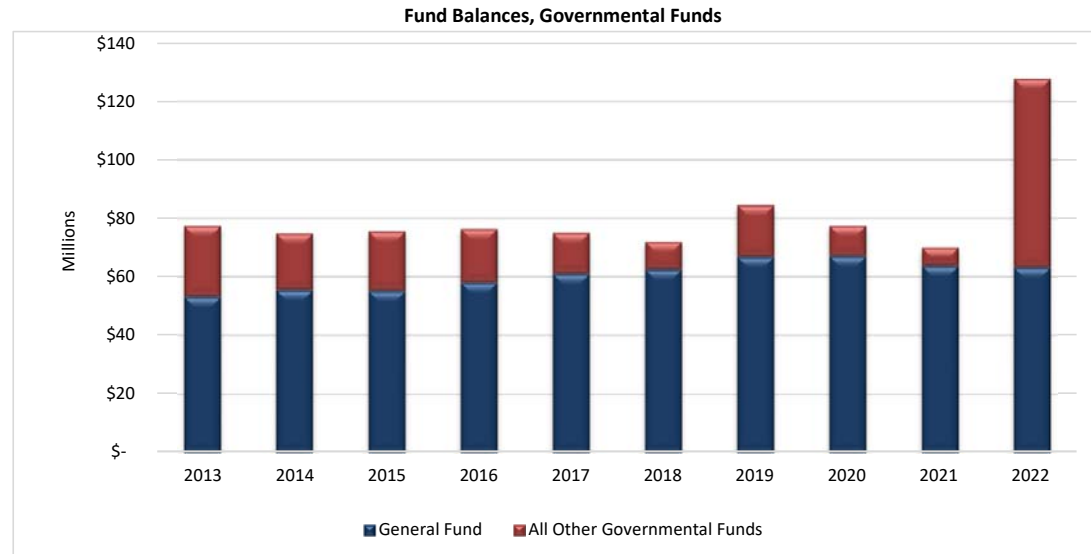
<sup>(2)</sup> Beginning in 2019, the District completed the government combinations with the City of Newberg and Newberg Rural Fire Protection District.

## Tualatin Valley Fire and Rescue

### Fund Balances, Governmental Funds

Last Ten Fiscal Years  
(modified accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>General Fund</b>										
Non-spendable	\$ 323,981	\$ 305,764	\$ 341,601	\$ 318,368	\$ 375,861	\$ 434,579	\$ 410,673	\$ 436,012	\$ 505,026	\$ 637,881
Committed	12,193,728	12,155,534	12,345,844	13,883,834	13,356,176	10,335,910	8,921,754	10,022,059	9,066,730	8,335,428
Assigned	-	-	-	-	-	-	-	4,772,760	3,000,000	3,000,000
Unassigned	40,637,548	42,904,607	42,363,381	43,728,460	47,146,997	51,711,580	57,421,838	51,738,725	51,068,428	51,132,934
Total general fund	<u>\$ 53,155,257</u>	<u>\$ 55,365,905</u>	<u>\$ 55,050,826</u>	<u>\$ 57,930,662</u>	<u>\$ 60,879,034</u>	<u>\$ 62,482,069</u>	<u>\$ 66,754,265</u>	<u>\$ 66,969,556</u>	<u>\$ 63,640,184</u>	<u>\$ 63,106,243</u>
<b>All Other Governmental Funds</b>										
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	15,967,813	9,682,369	10,115,844	5,892,247	1,274,655	374,852	608,415	425,594	445,184	58,084,899
Committed	-	-	-	-	-	1,194,953	1,480,203	1,991,230	2,182,523	2,737,198
Assigned	8,260,339	9,669,124	10,284,207	12,482,461	12,775,223	7,779,150	15,502,243	8,004,044	3,611,174	3,685,064
Unassigned	-	-	-	-	(30,773)	-	-	-	-	-
Total all other governmental funds	<u>\$ 24,228,152</u>	<u>\$ 19,351,493</u>	<u>\$ 20,400,051</u>	<u>\$ 18,374,708</u>	<u>\$ 14,019,105</u>	<u>\$ 9,348,955</u>	<u>\$ 17,590,861</u>	<u>\$ 10,420,868</u>	<u>\$ 6,238,881</u>	<u>\$ 64,507,161</u>



**Tualatin Valley Fire and Rescue**  
**Changes in Fund Balances, Governmental Funds**

Last Ten Fiscal Years  
(modified accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues</b>										
Property taxes	\$ 80,009,514	\$ 82,532,795	\$ 85,708,409	\$ 99,609,614	\$ 103,447,697	\$ 111,212,130	\$ 125,244,153	\$ 127,780,938	\$ 137,405,995	\$ 141,935,205
Investment earnings	332,825	273,181	272,757	346,112	613,384	961,803	1,562,138	1,345,739	647,849	476,420
Charges for services and fees	1,406,782	1,938,937	2,026,509	2,679,793	12,204,369	10,765,416	5,649,677	4,842,189	6,768,721	7,583,544
Insurance dividends and refunds	526,133	881,244	520,569	380,216	381,105	497,665	502,168	556,497	1,101,587	839,294
Grants and contributions	864,502	167,099	699,265	365,956	1,582,731	1,581,161	957,222	4,414,344	1,987,129	1,220,387
Miscellaneous	385,023	75,499	335,836	101,911	167,090	274,389	275,993	282,299	409,267	307,741
Total revenues	83,524,779	85,868,755	89,563,345	103,483,602	118,396,376	125,292,564	134,191,351	139,222,006	148,320,548	152,362,591
<b>Expenditures</b>										
Current:										
Public safety	73,220,646	75,695,129	81,796,957	87,713,655	101,647,222	109,630,788	115,901,565	127,515,274	136,496,640	138,200,032
Capital outlay	8,099,083	7,701,768	7,657,091	9,197,899	12,914,300	16,635,772	8,770,885	12,776,141	10,272,463	6,895,794
Debt service:										
Principal	3,420,000	3,450,000	3,485,000	4,020,000	4,180,000	4,755,000	4,580,000	4,925,000	8,160,000	8,896,996
Interest	2,419,635	2,315,835	2,005,285	2,321,111	2,093,985	1,705,340	1,824,536	1,357,006	1,048,628	823,987
Total expenditures	87,159,364	89,162,732	94,944,333	103,252,665	120,835,507	132,726,900	131,076,986	146,573,421	155,977,731	154,816,809
Excess (deficiency) of revenues over (under) expenditures	(3,634,585)	(3,293,977)	(5,380,988)	230,937	(2,439,131)	(7,434,336)	3,114,365	(7,351,415)	(7,657,183)	(2,454,218)
<b>Other Financing Sources (Uses)</b>										
Bonds issued	-	-	14,905,000	-	-	12,310,000	-	14,920,000	-	49,730,000
Premium on bonds issued	-	-	1,636,038	-	-	2,271,850	-	50,719	-	9,683,116
Proceeds on sale of surplus property	951,489	627,966	156,522	623,556	1,031,900	576,648	229,747	225,490	145,824	26,527
Lease financing	-	-	-	-	-	-	-	-	-	748,914
Special item - proceeds on sale of campus	-	-	-	-	-	-	8,535,600	-	-	-
Payment to refunded bond escrow agent	-	-	(10,905,290)	-	-	(14,409,383)	-	(14,799,496)	-	-
Transfers in	500,000	1,149,113	1,153,922	4,101,085	5,512,967	6,869,209	3,771,427	3,327,162	1,000,000	200,000
Transfers out	(500,000)	(1,149,113)	(1,153,922)	(4,101,085)	(5,512,967)	(6,869,209)	(3,771,427)	(3,327,162)	(1,000,000)	(200,000)
Total other financing sources (uses) and special item	951,489	627,966	5,792,270	623,556	1,031,900	749,115	8,765,347	396,713	145,824	60,188,557
Net change in fund balances	\$ (2,683,096)	\$ (2,666,011)	\$ 411,282	\$ 854,493	\$ (1,407,231)	\$ (6,685,221)	\$ 11,879,712	\$ (6,954,702)	\$ (7,511,359)	\$ 57,734,339
Debt service as a percentage of noncapital expenditures	7.39%	7.08%	6.29%	6.74%	5.81%	5.56%	5.24%	4.70%	6.32%	6.57%

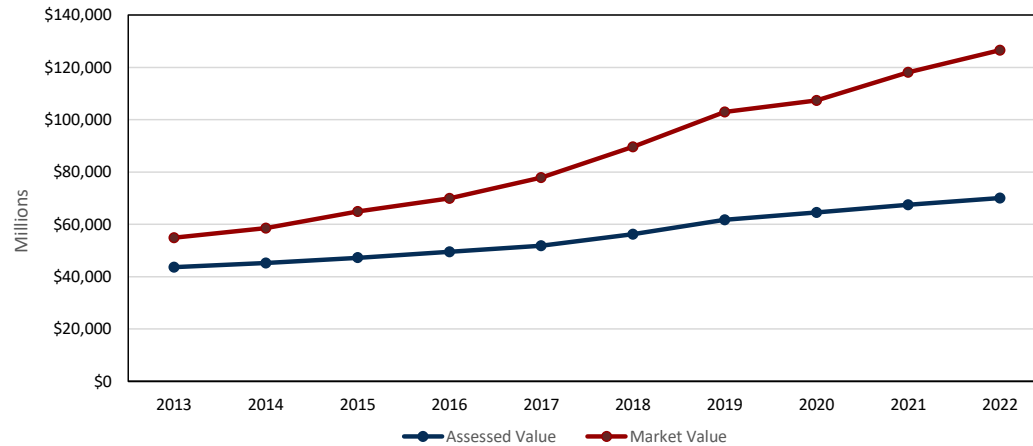
**Tualatin Valley Fire and Rescue**  
**Assessed and Market Value of Taxable Property**  
 Last Ten Fiscal Years

Fiscal Year	Real Property		Personal Property		Mobile Home Property		Utility Property		Total		Total Assessed to Total Market Value	Total District Tax Rate
	Assessed Value	Market Value	Assessed Value	Market Value	Assessed Value	Market Value	Assessed Value	Market Value	Assessed Value	Market Value		
2022	\$ 66,022,572,207	\$ 122,116,430,708	\$ 1,756,820,670	\$ 1,914,322,214	\$ 395,350,920	\$ 546,258,933	\$ 1,882,783,200	\$ 2,006,461,561	\$ 70,057,526,997	\$ 126,583,473,416	55.34 %	\$ 2.12
2021	63,646,526,273	113,830,371,600	1,711,690,655	1,895,355,701	330,359,037	468,679,335	1,789,652,400	1,887,405,925	67,478,228,365	118,081,812,561	57.15	2.12
2020	61,002,393,183	103,589,744,670	1,664,860,925	1,753,549,687	328,304,274	461,473,633	1,520,814,700	1,588,530,425	64,516,373,082	107,393,298,415	60.07	2.07
2019	58,343,366,718	99,267,409,345	1,546,143,554	1,627,313,038	301,461,233	410,823,584	1,535,699,859	1,598,187,265	61,726,671,364	102,903,733,232	59.98	2.08
2018	52,959,363,419	86,202,831,610	1,640,137,259	1,669,157,626	66,823,938	119,879,364	1,541,411,004	1,581,615,178	56,207,735,620	89,573,483,778	62.75	2.08
2017	48,857,960,074	74,802,031,793	1,508,758,508	1,533,847,394	62,197,982	84,509,484	1,391,276,864	1,416,551,352	51,820,193,428	77,836,940,023	66.58	2.10
2016	46,770,392,287	66,942,316,620	1,443,660,193	1,469,896,613	49,002,673	64,618,830	1,291,141,760	1,463,290,805	49,554,196,913	69,940,122,868	70.85	2.11
2015	44,577,290,966	62,081,929,253	1,339,967,930	1,376,810,979	40,555,755	52,654,310	1,288,074,094	1,380,966,990	47,245,888,745	64,892,361,532	72.81	1.89
2014	42,716,027,358	55,819,620,463	1,289,133,350	1,330,709,755	37,054,528	48,696,174	1,198,999,750	1,316,814,786	45,241,214,986	58,515,841,178	77.31	1.91
2013	41,153,875,254	52,242,895,589	1,285,083,148	1,300,882,754	37,473,333	49,143,750	1,186,894,151	1,294,538,870	43,663,325,886	54,887,460,963	79.55	1.92

Source of information: Washington, Clackamas, Yamhill, and Multnomah County Assessment and Tax Roll Summaries.

Note: In May 1997, Oregon voters approved Measure 50 that revised the property tax system state-wide effective July 1, 1997. For property tax purposes, the measure changed a property's assessed valuation from real market value to a value for tax purposes. In addition, the maximum assessed value of a property was limited to a maximum of 3% growth per year. Accordingly, since that date, there is a difference between market value and assessed value.

**Assessed Value Compared to Market Value**



## Tualatin Valley Fire and Rescue

### Property Tax Rates - Direct and Overlapping Governments (per \$1,000 of Assessed Value)

Last Ten Fiscal Years  
For Fiscal Years Ended June 30

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Range of property tax rates for direct and overlapping governments per \$1,000 of assessed value</b>	\$ 12.55 to \$ 19.72	\$ 13.23 to \$ 21.06	\$ 13.10 to \$ 20.99	\$ 12.98 to \$ 20.81	\$ 13.16 to \$ 20.99	\$ 13.00 to \$ 22.33	\$ 11.78 to \$ 22.61	\$ 11.63 to \$ 22.69	\$ 11.34 to \$ 22.17	\$ 12.43 to \$ 22.58
<b>Tualatin Valley Fire and Rescue</b>	\$ 1.92	\$ 1.91	\$ 1.89	\$ 2.11	\$ 2.10	\$ 2.08	\$ 2.08	\$ 2.07	\$ 2.12	\$ 2.12
<i>Permanent Rate</i>	1.5252	1.5252	1.5252	1.5252	1.5252	1.5252	1.5252	1.5252	1.5252	1.5252
<i>Local Option Levy</i>	0.2500	0.2500	0.2500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500
<i>Bonded Debt</i>	0.1402	0.1320	0.1170	0.1326	0.1218	0.1047	0.1087	0.0973	0.1415	0.1411
<b>Other Overlapping Governments</b>										
Washington County	2.97	2.97	2.84	2.84	2.96	2.95	2.95	2.95	2.96	3.01
Clackamas County	2.86	2.96	2.95	2.95	2.95	2.96	2.95	2.94	2.94	2.94
Yamhill County	-	-	-	-	-	-	2.58	2.58	2.58	2.58
City of Beaverton	4.24	4.37	4.38	4.33	4.31	4.35	4.32	4.30	4.80	4.28
City of Durham	1.84	1.85	1.83	1.69	1.64	1.66	1.12	0.49	0.49	0.49
City of King City	2.08	2.08	2.08	2.08	2.08	2.08	2.08	2.08	2.16	2.16
City of Newberg	-	-	-	-	-	-	2.50	2.58	2.65	2.73
City of North Plains	-	-	-	-	-	-	1.82	1.82	2.17	1.82
City of Sherwood	3.48	3.43	3.46	3.62	3.42	3.47	3.46	3.12	3.44	3.00
City of Tigard	2.94	2.93	2.92	2.92	2.88	2.87	2.85	2.82	3.13	3.10
City of Tualatin	2.56	2.55	2.53	2.52	2.51	2.50	2.89	2.87	2.86	2.86
City of West Linn	2.56	2.56	2.55	2.54	2.54	2.54	2.12	2.12	2.12	2.54
City of Wilsonville	2.12	2.14	2.13	2.10	1.97	2.52	2.52	2.05	2.07	2.09
Tualatin Hills Parks & Recreation District	1.73	1.74	1.72	1.62	1.62	1.61	1.62	1.61	1.60	1.60
Enhanced Sheriff's Patrol District	1.23	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32
Portland Community College	0.67	0.73	0.72	0.59	0.68	0.61	0.69	0.69	0.68	0.66
Clackamas Community College	0.70	0.71	0.70	0.74	0.74	0.74	0.55	0.55	0.55	0.72
Clackamas ESD	0.37	0.37	0.37	0.37	0.37	0.37	0.37	0.37	0.37	0.37
Multnomah ESD	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46
N.W. Regional ESD	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
Banks School District	-	-	-	-	-	-	7.06	7.03	6.87	6.85
Beaverton School District	6.77	8.05	8.04	7.96	7.92	8.05	8.02	7.91	8.03	8.03
Canby School District	6.74	6.90	6.87	6.82	6.81	6.78	4.58	4.58	6.70	6.52
Hillsboro School District	7.50	7.40	7.42	7.22	7.20	7.15	7.14	7.18	7.25	7.11
Lake Oswego School District	6.85	6.84	6.81	6.79	6.81	7.95	7.93	8.14	8.14	8.11
Newberg School District	7.44	7.42	7.51	7.92	7.88	7.80	6.05	5.47	5.13	6.20
Portland School District	7.27	8.36	8.35	8.36	8.33	9.69	9.76	9.67	9.67	9.60
Sherwood School District	8.82	8.82	8.82	8.53	8.68	9.14	8.95	8.79	8.64	8.53
Tigard-Tualatin School District	7.41	7.41	7.46	7.46	7.45	7.77	7.75	7.70	7.79	7.78
West Linn / Wilsonville School District	9.38	9.32	9.25	9.24	9.23	9.07	9.19	9.33	9.70	9.05

Note: Tualatin Valley Fire and Rescue has approximately thirty overlapping jurisdictions with boundaries that do not coincide with the District. Therefore, tax rates within the District have a wide variation depending upon code area; i.e., which of the above jurisdictions overlap with the District within a specific area. The Washington County figure includes county-wide levies for Co-op Library, Road Improvements, and 9-1-1 Emergency.

Source: Washington, Clackamas and Yamhill County Assessment and Tax Roll Summaries



## Tualatin Valley Fire and Rescue

### Principal Taxpayers<sup>(1)</sup>

Current Year and Nine Years Ago

All Washington County Property

2022					2013				
	Rank <sup>(2)</sup>	Taxable Assessed Value	Percentage of Total Taxable Assessed Valuation			Rank <sup>(2)</sup>	Taxable Assessed Value	Percentage of Total Taxable Assessed Valuation	
<b>Private enterprises:</b>									
Nike, Inc.	1	\$ 1,401,425,307	2.00 %	1	\$ 446,385,625	1.02 %			
Pacific Realty Associates	4	305,383,435	0.44	3	212,530,266	0.49			
Comcast Corporation	5	205,846,000	0.29	5	188,998,300	0.43			
LAM Research Corporation	6	203,580,895	0.29						
Intel Corporation	7	171,769,620	0.25						
BV Centercal LLC	8	160,354,858	0.23	8	123,055,691	0.28			
PPR Washington Square LLC	9	149,818,353	0.21	7	131,116,871	0.30			
Maxim Integrated Products	10	148,411,520	0.21	10	108,396,540	0.25			
Frontier Communications				6	184,145,000	0.42			
PS Business Parks				9	112,151,006	0.26			
<b>Public utilities:</b>									
Portland General Electric	2	580,786,650	0.83	2	257,096,422	0.59			
Northwest Natural Gas Co	3	331,198,990	0.47	4	209,545,250	0.48			
All other taxpayers		66,398,951,369	94.79		41,689,904,915	95.48			
Total Assessed Value <sup>(3)</sup>		\$ 70,057,526,997	100.00 %		\$ 43,663,325,886	100.00 %			

Source: Washington County Department of Assessment and Taxation

<sup>(1)</sup> Principal taxpayers within TVF&R's Washington County boundary only.

<sup>(2)</sup> Rank based on M50 assessed value

<sup>(3)</sup> Total assessed value is reflective of TVF&R's portion of the totals collectible for Washington, Clackamas, Yamhill and Multnomah counties.

## Tualatin Valley Fire and Rescue

### Principal Taxpayers<sup>(1)</sup>

Current Year and Nine Years Ago

All Washington County Property

2022					2013		
		Taxable Assessed Value	Percentage of Total Taxable Assessed Valuation			Taxable Assessed Value	Percentage of Total Taxable Assessed Valuation
	Rank <sup>(2)</sup>				Rank <sup>(2)</sup>		
Private enterprises:							
Intel Corporation	1	\$ 1,892,355,244	2.70 %	1	\$ 1,317,485,109	3.02 %	
Nike, Inc.	2	1,450,518,012	2.07	2	458,134,800	1.05	
Pacific Realty Associates	5	426,502,345	0.61	5	301,554,205	0.69	
Verizon Communications Inc.	6	338,930,000	0.48				
Genentech Inc	7	281,929,300	0.40				
Comcast Corporation	8	267,644,000	0.38	7	247,208,700	0.57	
LAM Research Corporation	9	204,291,922	0.29				
Northwest Fiber LLC	10	195,724,800	0.28				
Frontier Communications				6	250,268,000	0.57	
Fred Meyer Stores Inc.				8	149,532,916	0.34	
Maxim Integrated Products				9	142,776,738	0.33	
PS Business Parks				10	112,151,006	0.26	
Public utilities:							
Portland General Electric	3	951,592,080	1.36	3	430,132,692	0.99	
Northwest Natural Gas Co	4	430,076,890	0.61	4	303,517,250	0.70	
All other taxpayers		63,617,962,404	90.82		39,950,564,470	91.49	
Total Assessed Value <sup>(3)</sup>		\$ 70,057,526,997	100.00 %		\$ 43,663,325,886	100.00 %	

Source: Washington County Department of Assessment and Taxation

<sup>(1)</sup> Principal taxpayers for all of Washington County.

<sup>(2)</sup> Rank based on M50 assessed value

<sup>(3)</sup> Total assessed value is reflective of TVF&R's portion of the totals collectible for Washington, Clackamas, Yamhill and Multnomah counties.

## Tualatin Valley Fire and Rescue

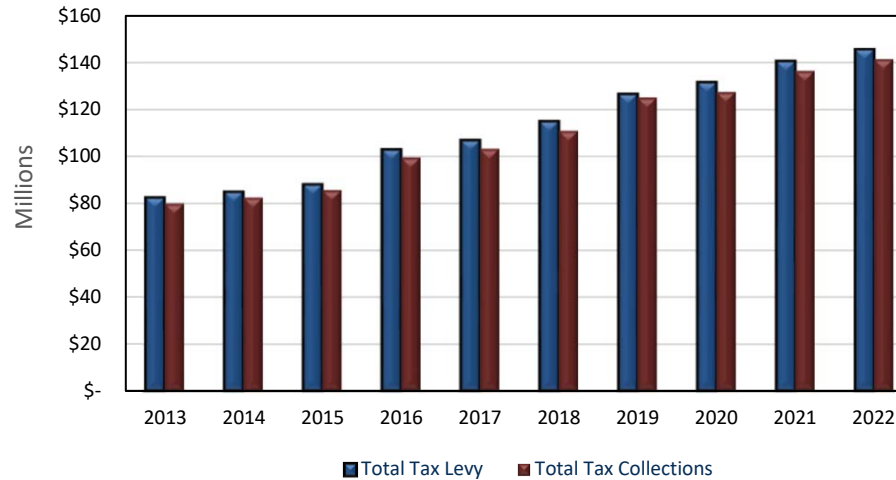
### Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year	Total Tax Levy		Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2022	\$	145,699,054	\$	139,769,702	95.93%	\$ 1,720,549	\$ 141,490,251 97.11 %
2021		140,534,690		134,850,257	95.96	1,619,942	136,470,199 97.11
2020		131,557,299		126,047,012	95.81	1,469,160	127,516,172 96.93
2019		126,534,993		121,288,887	95.85	3,918,100	125,206,987 98.95
2018		114,934,595		109,683,057	95.43	1,252,062	110,935,119 96.52
2017		106,867,213		101,985,120	95.43	1,358,642	103,343,762 96.70
2016		102,942,662		98,293,871	95.48	1,378,066	99,671,937 96.82
2015		87,970,033		83,994,211	95.48	1,694,488	85,688,699 97.41
2014		84,922,515		80,738,959	95.07	1,824,068	82,563,027 97.22
2013		82,413,293		78,548,654	95.31	1,446,400	79,995,054 97.07

Source: District financial statements, current and prior years

**Total Tax Levy compared to Total Tax Collected**



## Tualatin Valley Fire and Rescue

### Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year	Gross Bonded Debt <sup>(1)</sup>		Lease Obligations <sup>(1)</sup>		Total Outstanding Debt		Debt per Capita <sup>(2)</sup>	Percentage of Personal Income <sup>(2)</sup>	
2022	\$	78,120,688	\$	2,485,974	\$	80,606,662	\$	148.58	0.22 %
2021		28,095,326		-		28,095,326		52.44	0.08
2020		36,693,119		-		36,693,119		68.39	0.10
2019		41,626,028		-		41,626,028		78.47	0.12
2018		46,639,594		-		46,639,594		89.72	0.15
2017		51,115,737		-		51,115,737		104.03	0.18
2016		55,560,104		-		55,560,104		120.98	0.22
2015		59,844,471		-		59,844,471		131.64	0.25
2014		56,916,463		-		56,916,463		126.48	0.25
2013		60,449,048		-		60,449,048		135.70	0.29

Sources:

<sup>(1)</sup> District financial statements, current and prior years

<sup>(2)</sup> See the Schedule of Demographic and Economic Statistics for personal income and population data

**Tualatin Valley Fire and Rescue**  
**Ratios of Net General Bonded Debt to Assessed Value**  
**and Net General Bonded Debt per Capita**

Last Ten Fiscal Years

Fiscal Year	Assessed Value <sup>(1)</sup>	Gross Bonded Debt <sup>(2)</sup>	Debt Service Monies Available <sup>(2)</sup>	Net General Bonded Debt <sup>(2)</sup>	Ratio of Net General Bonded Debt to Assessed Value	General Bonded Debt Per Capita <sup>(3)</sup>	Net General Bonded Debt Per Capita <sup>(3)</sup>	Percentage of Personal Income <sup>(3)</sup>
2022	\$ 70,057,526,997	\$ 78,120,688	\$ 446,970	\$ 77,673,718	0.11 %	\$ 143.99	\$ 143.17	0.21 %
2021	67,478,228,365	28,095,326	445,184	27,650,142	0.04	52.44	51.61	0.08
2020	64,516,373,082	36,693,119	425,594	36,267,525	0.06	68.39	67.60	0.10
2019	61,726,671,364	41,626,028	608,415	41,017,613	0.07	78.47	77.33	0.12
2018	56,207,735,620	46,639,594	374,852	46,264,742	0.08	89.72	89.00	0.15
2017	51,820,193,428	51,115,737	1,274,655	49,841,082	0.10	104.03	101.43	0.18
2016	49,554,196,913	55,560,104	1,432,449	54,127,655	0.11	120.98	117.86	0.22
2015	47,245,888,745	59,844,471	1,355,457	58,489,014	0.12	131.64	128.66	0.24
2014	45,241,214,986	56,916,463	1,541,173	55,375,290	0.12	126.48	123.05	0.25
2013	43,663,325,886	60,449,048	1,606,709	58,842,339	0.13	135.70	132.09	0.28

Sources:

- <sup>(1)</sup> Washington, Clackamas, Yamhill, and Multnomah County Assessment and Taxation Departments
- <sup>(2)</sup> District financial statements, current and prior years
- <sup>(3)</sup> See the Schedule of Demographic and Economic Statistics for personal income and population data

**Tualatin Valley Fire and Rescue**  
**Computation of Overlapping Net Direct Debt**  
June 30, 2022

Jurisdiction	Net Direct Debt Outstanding <sup>(1)</sup>	Percentage Applicable to District	Amount Applicable to District
Chehalem Park & Recreation District	\$ 22,070,000	78.90 %	\$ 17,413,186
Chemeketa Community College	94,425,000	0.04	38,998
City of Beaverton	31,357,988	100.00	31,356,702
City of Cornelius	2,073,871	0.44	9,040
City of Hillsboro	66,260,000	0.10	69,507
City of Newberg	6,962,556	87.57	6,096,866
City of Sherwood	67,736,711	99.99	67,727,499
City of Tigard	20,064,001	99.99	20,062,918
City of Tualatin	21,025,819	99.99	21,023,296
City of West Linn	28,200,000	100.00	28,200,000
City of Wilsonville	22,005,400	100.00	22,005,400
Clackamas Community College	134,508,536	23.11	31,078,466
Clackamas County	115,525,000	17.80	20,562,757
Clackamas County ESD	21,902,000	17.52	3,838,238
Clackamas County SD 3J (West Linn/Wilsonville)	447,097,462	100.00	447,097,015
Clackamas County SD 7J (Lake Oswego)	396,796,752	5.80	23,020,164
Clackamas County SD 86 (Canby)	107,527,434	11.88	12,775,765
Clackamas Soil & Water Conservation	5,785,000	17.80	1,029,695
Columbia County SD 1J (Scappoose)	19,340,000	0.20	39,396
Metro Service District	873,470,000	27.31	238,504,477
Multnomah County	627,742,035	0.79	4,962,301
Multnomah County SD 1J (Portland)	1,732,229,650	1.31	22,617,723
Multnomah ESD	60,233,416	0.98	590,047
Portland Community College	496,110,000	32.73	162,361,424
Rivergrove Water District 14J	434,581	18.71	81,301
Tualatin Hills Park & Recreation District	54,782,795	99.95	54,754,308
Valley View Water District	1,014,647	100.00	1,014,647
Washington County	181,686,051	74.67	135,666,428
Washington County SD 13 (Banks)	7,260,730	0.14	10,354
Washington County SD 1J (Hillsboro)	529,453,543	25.71	136,145,272
Washington County SD 23J (Tigard-Tualatin)	311,603,983	99.91	311,316,372
Washington County SD 48J (Beaverton)	907,677,133	95.01	862,374,060
Washington County SD 88J (Sherwood)	303,472,722	99.97	303,393,820
Willamette ESD	6,416,593	7.47	479,281
Yamhill County	8,337,279	31.48	2,624,559
Yamhill County SD 1 (Yamhill-Carlton)	20,819,679	0.11	23,422
Yamhill County SD 29J (Newberg)	163,739,136	79.88	130,792,857
Subtotal overlapping debt			3,121,157,561
District direct debt			78,120,688
Total direct and overlapping debt			\$ 3,199,278,249

Note: <sup>(1)</sup> Net direct debt includes General Obligation Bonds and Full Faith and Credit Bonds minus any fully Self-Supporting Unlimited-tax GO Bonds and self-supporting Full Faith and Credit Debt.

Source: Oregon State Treasury, Debt Management Division

## Tualatin Valley Fire and Rescue

### Legal Debt Margin Information

June 30, 2022

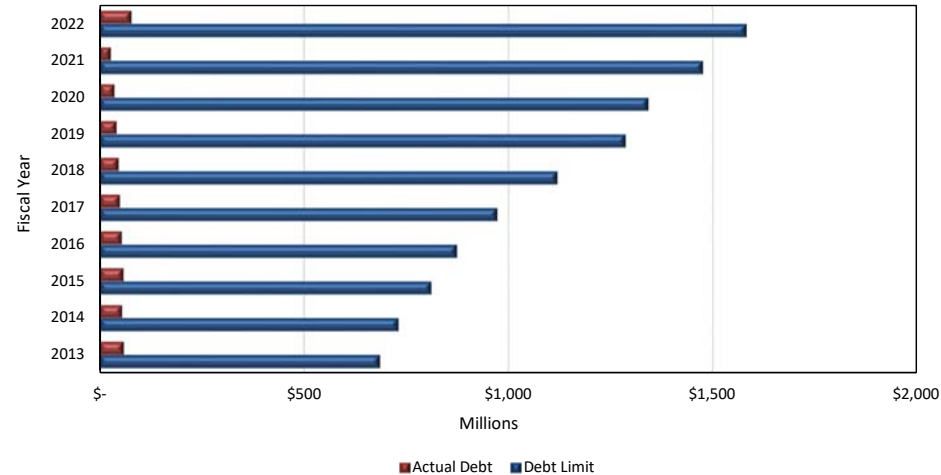
Real market value of District property	\$	126,583,473,416
Debt limit under ORS 478.410(2) - (1.25% of the real market value)		1,582,293,418
Amount of debt applicable to debt limit:	\$	78,120,688
Gross bonded debt outstanding		(446,970)
Assets in Debt Service Fund available for debt service		
Total amount of debt applicable to debt limit		<u>77,673,718</u>
Legal debt margin	\$	<u><u>1,504,619,700</u></u>
Total net debt applicable to the limit as a percentage of debt limit		4.91%

	2013	2014	2015	2016 <sup>(1)</sup>	2017	2018	2019	2020	2021	2022
Debt Limit	\$ 686,093,262	\$ 731,448,015	\$ 811,154,519	\$ 874,251,536	\$ 972,961,750	\$ 1,119,668,547	\$ 1,286,296,665	\$ 1,342,416,230	\$ 1,476,022,657	\$ 1,582,293,418
Total net debt applicable to limit	<u>58,842,339</u>	<u>55,375,290</u>	<u>58,489,014</u>	<u>54,127,655</u>	<u>49,841,082</u>	<u>46,264,742</u>	<u>41,017,613</u>	<u>36,267,525</u>	<u>27,650,142</u>	<u>77,673,718</u>
Legal debt margin	<u>\$ 627,250,923</u>	<u>\$ 676,072,725</u>	<u>\$ 752,665,505</u>	<u>\$ 820,123,881</u>	<u>\$ 923,120,668</u>	<u>\$ 1,073,403,805</u>	<u>\$ 1,245,279,052</u>	<u>\$ 1,306,148,705</u>	<u>\$ 1,448,372,515</u>	<u>\$ 1,504,619,700</u>
Total net debt applicable to the limit as a percentage of debt limit	8.58%	7.57%	7.21%	6.19%	5.12%	4.13%	3.19%	2.70%	1.87%	4.91%

Source: District financial statements and Oregon Revised Statutes

<sup>(1)</sup> Restated numbers. Original published values from Washington County were incorrect.

### Legal Debt Limit vs Bonded Debt Outstanding



## Tualatin Valley Fire and Rescue

### Demographic and Economic Statistics

Last Ten Fiscal Years

Fiscal Year	Population Served <sup>(1)</sup>	Square Miles Served <sup>(2)</sup>	Per Capita Income <sup>(3)</sup>	Total Personal Income (in thousands)	School Enrollment <sup>(4)</sup>	Unemployment <sup>(5)</sup>
2022	542,524	390	\$ 66,831	\$ 36,257,421	55,323	2.9 %
2021	535,723	390	66,831	35,802,904	57,904	4.9
2020	536,535	390	66,831	35,857,171	57,688	8.9
2019	530,446	390	63,425	33,643,538	57,826	3.1
2018	519,853	390	60,999	31,710,513	57,847	3.3
2017	491,376	390	57,502	28,255,103	57,592	3.4
2016	459,234	210	54,532	25,042,974	56,519	4.2
2015	454,598	210	53,345	24,250,530	56,036	4.6
2014	450,008	210	50,140	22,563,401	57,221	5.5
2013	445,464	210	46,434	20,684,675	57,147	6.2

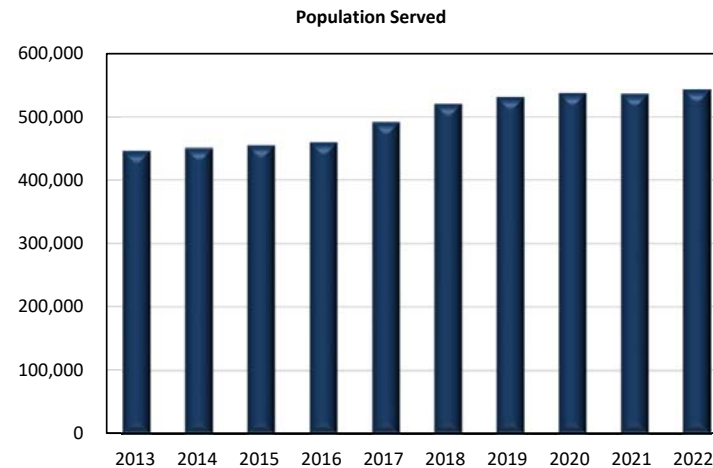
<sup>(1)</sup> Portland State University/TVFR Planning Department

<sup>(2)</sup> TVFR Planning Department; District 2 added approximately 118 square miles and the City of Newberg and Newberg Rural Fire Protection added approximately 6 square miles and 55 square miles respectively

<sup>(3)</sup> Bureau of Economic Analysis (Washington County Only). Latest information through 2020.

<sup>(4)</sup> Oregon Dept of Education (Beaverton, Sherwood and Tigard/Tualatin School Districts)

<sup>(5)</sup> State of Oregon Employment Department (Washington County). Prior to 2016 - Bureau of Labor Statistics, estimated (Washington County only)





## Tualatin Valley Fire and Rescue

### Major Employment Industries

Current Year and Nine Years Ago

	2022		2013	
	Annual Average (1)	% of Total	Annual Average (1)	% of Total
Natural Resources & Mining	3,179	1%	3,231	1%
Construction	17,761	6%	12,545	5%
Manufacturing				
Food	2,515		1,704	
Wood Products	1,007		1,018	
Plastics and Rubber Products	2,766		1,656	
Fabricated Metal Products	3,765		2,961	
Machinery	5,504		3,765	
Computer and Electronic Products	28,870		26,609	
Other	7,076		6,419	
Total Manufacturing	51,503	18%	44,132	17%
Trade, Transportation, and Utilities				
Wholesale	13,816		12,526	
Retail	31,546		28,934	
Transportation, Warehousing, and Utilities	7,532		3,850	
Total Trade, Transportation, and Utilities	52,894	18%	45,310	18%
Information				
Publishing	3,313		3,113	
Telecommunications	1,066		2,145	
Other (Broadcasting, ISP's, etc.)	3,032		2,043	
Total Information	7,411	3%	7,301	3%
Financial Activities				
Finance and Insurance	10,622		11,525	
Real Estate	4,202		3,123	
Total Financial Activities	14,824	5%	14,648	6%
Professional & Business Services	53,860	18%	47,579	19%
Education	5,266	2%	5,082	2%
Health & Social Assistance	31,962	11%	25,733	10%
Leisure & Hospitality	22,577	8%	21,357	8%
Other Services	9,080	3%	8,316	3%
Private Non-Classified	485	0%	82	0%
Total All Government	21,659	7%	21,274	8%
Total Employment	<u>292,461</u>	<u>100%</u>	<u>256,590</u>	<u>100%</u>

<sup>(1)</sup> Information is presented on a calendar year basis.

Source: Oregon Employment Department Labor Market Information System (OLMIS) - Washington County.

**Tualatin Valley Fire and Rescue**  
**Full-Time Equivalent Employees by Function**  
 Last Ten Fiscal Years

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Fire and Rescue Service	340	344	359	376	438	454	454	454	447	453
Fire Prevention and Training	23	24	23	23	23	21	22	22	24	22
Administrative and Support	92	90	91	90	94	95	93	99	95	97
Total	<u>455</u>	<u>458</u>	<u>473</u>	<u>489</u>	<u>555</u> <sup>(1)</sup>	<u>570</u>	<u>569</u>	<u>575</u>	<u>566</u>	<u>572</u>

Source: Tualatin Valley Fire and Rescue Human Resources records

<sup>(1)</sup> The increase is mostly due to the transfer of employees from the annexations of District 2 and the City of Newberg and Newberg Rural Fire Protection District.

## Tualatin Valley Fire and Rescue

### Operating Indicators by Function

Last Ten Calendar Years <sup>(1)</sup>

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety:										
Code Enforcement										
Inspections (not including night)	2,470	3,906 <sup>(2)</sup>	4,657	4,169	4,891	4,394	3,727	3,674	2,750 <sup>(4)</sup>	684 <sup>(4)</sup>
Re-Inspections	1,483	2,371	2,882	2,612	2,696	3,252	1,769	1,859	1,300 <sup>(4)</sup>	285 <sup>(4)</sup>
Night inspections	122	211	174	337	198	246	175	242	160 <sup>(4)</sup>	21 <sup>(4)</sup>
Violations Found	2,571	4,021	4,918	4,290	4,209	2,679	2,168	2,985	1,975 <sup>(4)</sup>	368 <sup>(4)</sup>
Incident Response										
Dispatched as:										
1 - Fire, Explosion	3,282	3,597	3,460	3,776	4,111	4,423	4,688	4,630	4,421	4,738
3 - EMS/Rescue Call	27,119	28,737	29,829	32,067	36,191	40,688	39,542	41,025	40,281	46,613
4 - Hazardous Condition	630	662	783	767	941	1,227	343 <sup>(3)</sup>	278	205	279
5 - Service Call	1,081	1,209	1,260	1,334	1,567	2,048	4,721 <sup>(3)</sup>	5,327	5,065	5,618
6 - Good Intent	271	342	304	386	196	272	- <sup>(3)</sup>	-	-	-
9 - Other Situation	443	539	497	551	509	553	43 <sup>(3)</sup>	35	-	-
Total Responses	<u>32,826</u>	<u>35,086</u>	<u>36,133</u>	<u>38,881</u>	<u>43,515</u>	<u>49,211</u>	<u>49,337</u>	<u>51,295</u>	<u>49,972</u>	<u>57,248</u>
Situations found:										
1 - Fire, Explosion	987	1,028	999	1,294	1,199	1,362	1,359	1,301	1,185	1,296
2 - Overpressure	87	86	59	28	41	21	40	30	24	27
3 - EMS/Rescue Call	21,160	22,244	23,460	26,236	29,693	33,390	33,663	34,556	33,904	40,675
4 - Hazardous Condition	805	915	1,113	1,065	1,274	1,500	1,267	1,482	1,139	1,352
5 - Service Call	1,984	2,567	2,496	2,502	3,058	3,625	3,447	3,644	3,447	2,718
6 - Good Intent	5,918	6,156	6,013	5,681	5,867	6,676	6,897	7,438	7,621	8,394
7 - False Call	1,846	2,050	1,942	2,058	2,366	2,611	2,654	2,840	2,635	2,769
8 - Natural Condition	4	7	23	10	7	21	1	3	13	10
9 - Other Situation	35	33	28	7	10	5	9	1	4	7
Total Responses	<u>32,826</u>	<u>35,086</u>	<u>36,133</u>	<u>38,881</u>	<u>43,515</u>	<u>49,211</u>	<u>49,337</u>	<u>51,295</u>	<u>49,972</u>	<u>57,248</u>

Source: TVFR Budget and Standards of Cover documents.

<sup>(1)</sup> Most recent full calendar year indicators.

<sup>(2)</sup> Additional inspection personnel were added to the District, which resulted in a greater number and type of inspections being performed.

<sup>(3)</sup> Reclassification of call types for the Standards of Cover occurred in 2018

<sup>(4)</sup> There was a decrease in non-essential services at the outset of the COVID-19 pandemic, continuing through 2021.

## Tualatin Valley Fire and Rescue

### Capital Asset Statistics by Function

Last Ten Fiscal Years

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety:										
Number of Stations	21	21	21	22 <sup>(2)</sup>	22	24 <sup>(4)</sup>	27 <sup>(5)</sup>	28 <sup>(6)</sup>	28	29 <sup>(8)</sup>
Equipment:										
Aerial/Truck/Platform	4	4	4	4	5	5	5	5	5	5
Antique Fire Equipment	3	3	5	6	6	6	6	6	6	6
Brush Rig	9	12	9	9	11 <sup>(3)</sup>	12	15	15	13	13
Cars	4	4	7 <sup>(1)</sup>	7	8	8	8	8	8	8
Elevated Waterway	3	3	3	3	3	3	3	3	- <sup>(7)</sup>	-
HazMat	5	5	5	5	5	5	5	5	5	5
Medic Unit	4	10	10	10	10	10	14	14	14	14
Mobile Command Unit	1	1	1	1	1	1	1	1	1	1
Pumper/Engine	30	30	28	28	32 <sup>(3)</sup>	32	38	38	38	40
Rehab Unit	2	2	2	2	2	2	2	2	2	2
Squad	-	-	-	1	1	1	1	2	2	3
Technical/Water Rescue	7	7	7	7	9	9	9	9	9	9
Tiller	-	-	-	-	2	2	3	3	3	3
Training Mobile Unit	-	-	-	-	-	-	-	-	1	1
Safety House	1	1	1	1	1	1	1	1	1	1
Water Tender	9	9	7	7	11 <sup>(3)</sup>	9	11	11	11	11

Source: TVFR Facilities and Fleet departments.

<sup>(1)</sup> Three additional Cars were placed into service.

<sup>(2)</sup> Station 70 placed into service.

<sup>(3)</sup> In 2017, the imminent annexation of District 2 added 2 brush rigs, 4 engines and 4 water tenders.

<sup>(4)</sup> The annexation of District 2 on 7/1/2017 added two new stations (stations 17 and 19).

<sup>(5)</sup> The annexation of the City of Newberg and Newberg Rural Fire Protection District on 7/1/2018 added two new stations (stations 20 and 21).

<sup>(6)</sup> Station 55 opened in August of 2018.

<sup>(7)</sup> New station 39 opened in January of 2020.

<sup>(8)</sup> Eliminated this equipment type in 2021.

<sup>(9)</sup> Station 54 opened in September of 2021.

**Independent Auditor's Report on Compliance and Internal Control over  
Financial Reporting Based on an Audit of Financial Statements Performed in  
Accordance with Oregon State Regulations**





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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
OREGON STATE REGULATIONS**

Board of Directors  
Tualatin Valley Fire and Rescue  
Tigard, Oregon

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Tualatin Valley Fire and Rescue, Tigard, Oregon (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 20, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

**Compliance**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

- Deposit of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).

In connection with our testing, nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
OREGON STATE REGULATIONS (Continued)**

**Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

**Purpose of This Report**

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

*Talbot, Koswloff Warwick, LLP*

Portland, Oregon  
October 20, 2022







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Copies of the Budget Document, Annual Comprehensive Financial Report, and Popular Annual Financial Report are available online at [www.tvfr.com](http://www.tvfr.com).

Hard copies can be requested by calling (503) 649-8577.

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