

Tualatin Valley Fire & Rescue

A Rural Fire Protection District, Oregon



Annual Comprehensive Financial Report

for the year ended June 30, 2023

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, 2023



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

www.tvfr.com

Prepared by the Finance Division.



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Introductory Section





October 17, 2023

**To Board President Dillingham 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, 2023. 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.

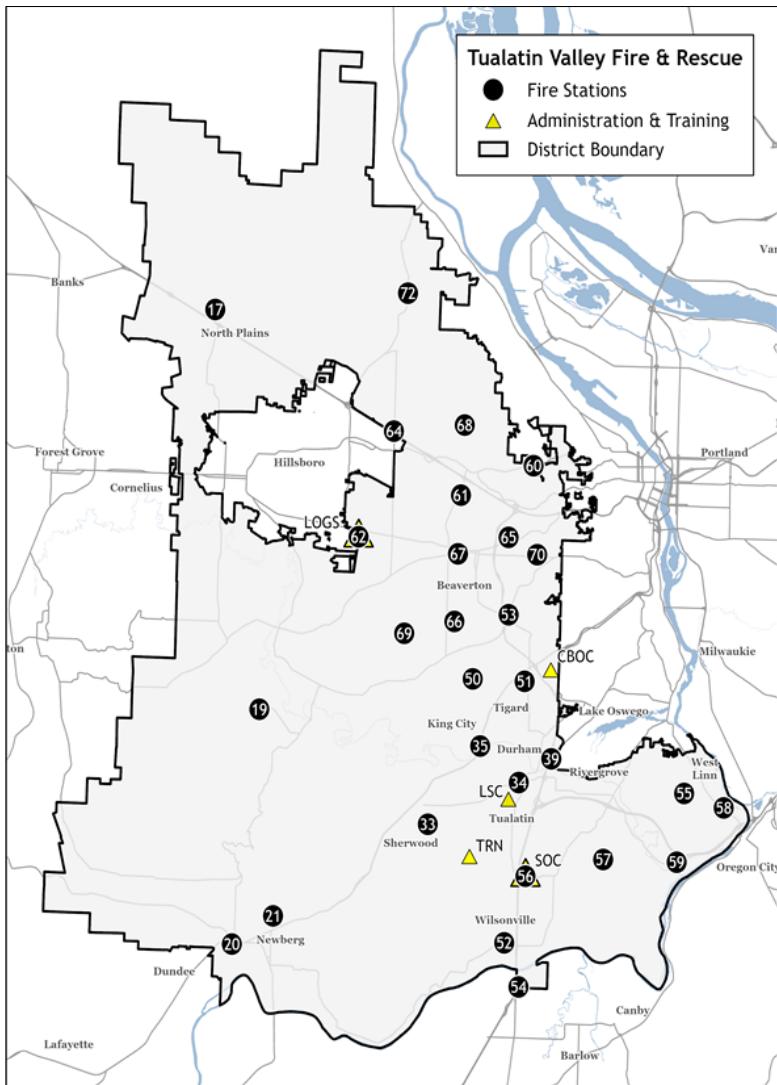
Tualatin Valley Fire and Rescue is a special district established to provide a full range of fire protection and emergency response services to its residents. This report has been prepared in accordance with accounting principles generally accepted in the United States of America and follows guidelines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

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 2023 population of 547,142.

The District currently operates 29 career and volunteer fire stations. The District deploys a complement of fire engines, ladder trucks, aerial pumper, 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 - 605 in 2023 - 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

Letter of Transmittal

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 \$0.1375 per thousand in 2022-23. Increases in assessed valuation result in increased tax revenue to the District. Assessed valuation increased from \$70.1 billion in the 2021-22 fiscal year to approximately \$72.9 billion in the 2022-23 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 2022-23 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 265 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, 2023 are in the top seven counties in Oregon in the fourth quarter of 2022 providing employment of 75,000 or more people. Washington County's average weekly wages were \$1,616 a week, and Multnomah County's were \$1,488, as compared to \$1,163 nationally. Clackamas County has average weekly wages of \$1,324. 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 \$1,052.¹

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 49% of the market value as of the 2022-23 fiscal year. For 2022-23, the assessed value of the District grew 3.9%, now totaling over \$72.9 billion dollars. Top taxpayers of the District include Nike, Pacific Realty Associates, LAM Research Corporation, Comcast, and electric and natural gas utilities. Top ten taxpayers for all of Washington County comprise approximately 9% 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,

¹ https://www.bls.gov/regions/west/news-release/countyemploymentandwages_oregon.htm

Letter of Transmittal

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 2022-2023 year.

In fiscal year 2023, 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 2023 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, 2023 all divisions and departments of the District contributed toward the accomplishments of the one-year bridge 2022-23 Strategic Plan. The three main goals, supplemented by supporting strategies and organizational tactics, as outlined in the District's 2022-23 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, 2023 as a result of these goals included implementation of projects for various physical and technological security measures, began implementation of capital bond projects, refined the 2iS application supporting EMS response, implemented process to replace mobile data computers in apparatus, actively participated in Washington County's EMS Alliance and other state and local partnerships. Work

Letter of Transmittal

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, 2022. This was the 36th 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 ninth year in a row for its PAFR for the year ended June 30, 2022.

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, 2023. 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 36th 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, 2022

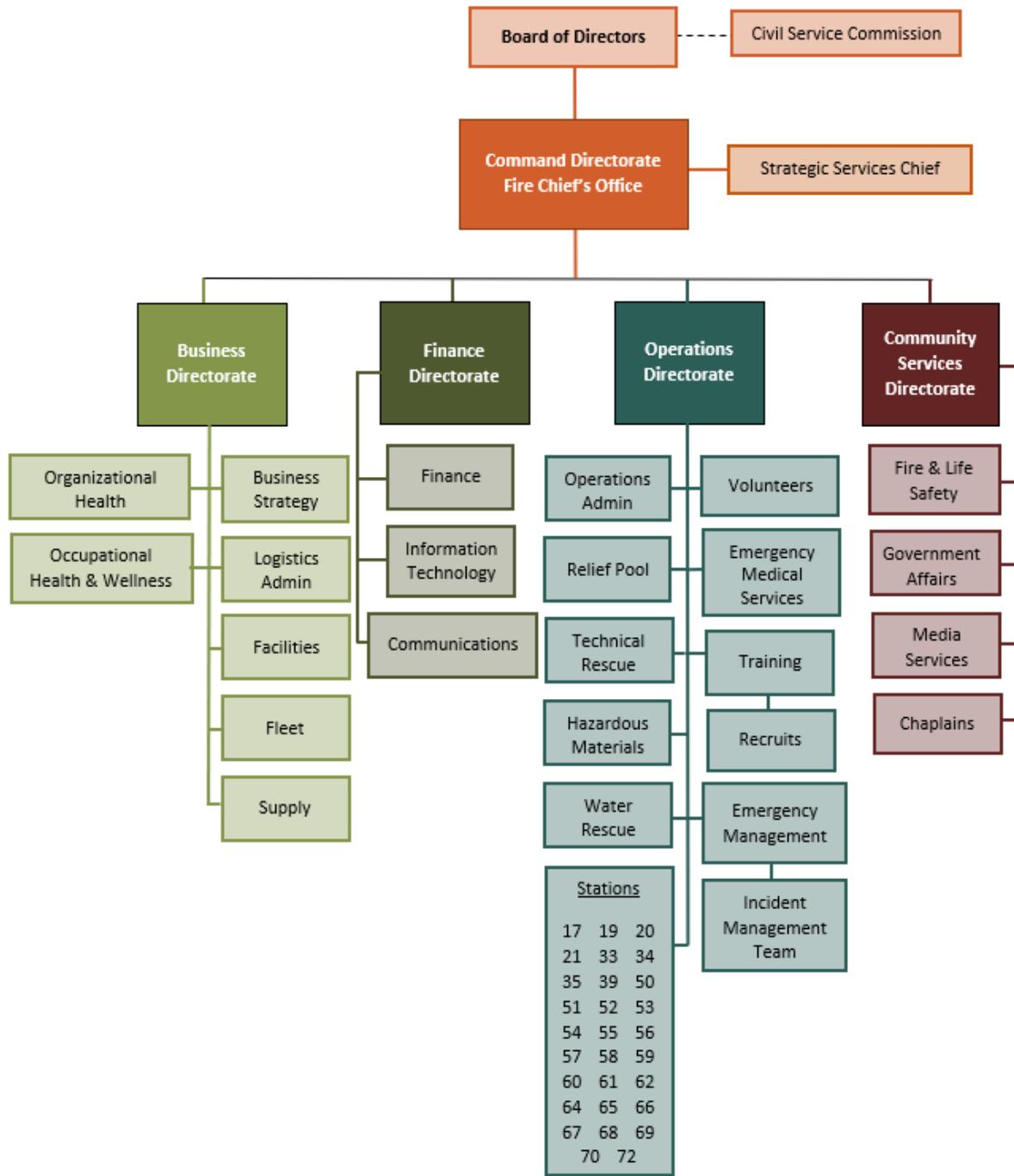
Christopher P. Morill

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, 2022.

This was the 36th 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, 2023



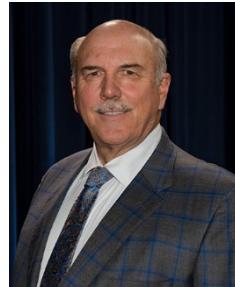
President
Randy J. Lauer
Term Ends:
June 30, 2027



Vice President
Justin J. Dillingham
Term Ends:
June 30, 2027



Secretary-Treasurer
Robert C. Wyfels
Term Ends:
June 30, 2025



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



Director
Gordon L. Hovies
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 Legal Counsel

Deric C. Weiss
Fire Chief

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

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, 2023, 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, 2023, 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 the 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 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.

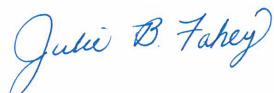
Other Information

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 17, 2023, 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, Korvolta & Warwick, LLP
Portland, Oregon
October 17, 2023



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, 2023. 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, 2023 by \$73,024,590 (also defined as net position) which reflects an increase of net position of \$9,962,794. Of this amount, \$102,335,367 represents the District's net investment in capital assets; \$559,235 and \$2,348,544 are restricted for debt service and an OPEB asset respectively, and the difference represents an unrestricted deficit net position of \$32,218,556 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 \$9,962,794 for the year ended June 30, 2023. The unrestricted net position, which is a net deficit of \$32,218,556, decreased in the year and improved by \$8,192,183, net investment in capital assets net position increased by \$1,324,694, and restricted net position increased by \$445,917.
- As of June 30, 2023, the District's governmental funds reported combined ending fund balances of \$130,675,174, an increase of \$3,061,770 in comparison with the prior year. The General Fund's fund balance increased by \$4,188,389, the Capital Projects Fund's fund balance decreased by \$2,444,561, and there were net increases in ending fund balances of nonmajor funds of \$1,317,942.
- At June 30, 2023, 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 \$53,179,746 and represents 37.0% 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 4.7%. 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 decreased by \$7,409,130 during the current fiscal year. This was due to recognition of the subscription liability of \$433,901, offset by principal payments of \$6,090,000 and amortization of premiums of \$1,343,641 on the District's five outstanding general obligation bond issues and principal payments of \$188,671 on the lease payable and principal payments of \$220,719 on subscription 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 37 through 39 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 40 and 41 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 88 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

Management's Discussion and Analysis

years of (assets)/liabilities and contributions. Required supplementary information can be found on pages 91 through 99 of this report.

Combining and individual fund schedules are presented as other supplementary information and can be found on pages 103 through 120 of this report. The Schedule of Property Tax Transactions and Outstanding Balances can be found on page 121 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. For the District, assets and deferred outflows exceed liabilities and deferred inflows by \$73,024,590 at June 30, 2023.

A significant portion of the District's net position (140%) 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 \$32,218,556 which reflects the District's obligations exceeding assets. The net decrease in net pension liability and related deferrals related to PERS at June 30, 2023 is \$2,714,443.

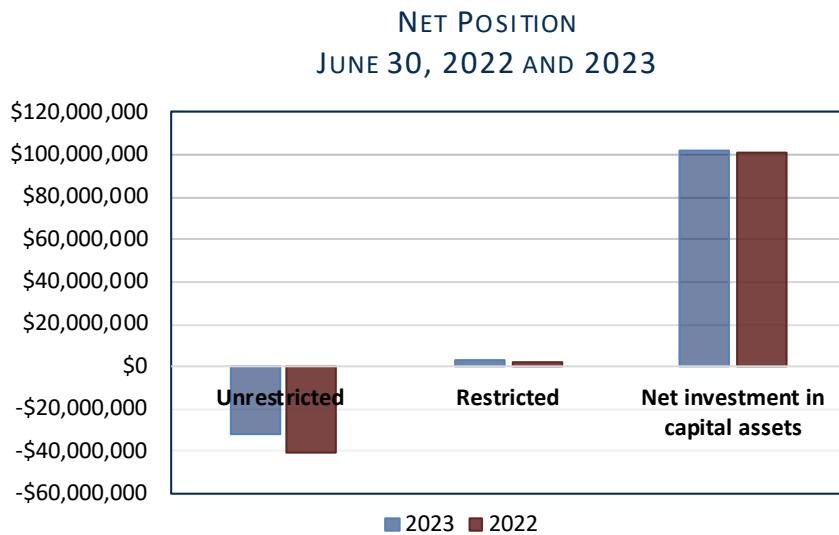
Assets consist of cash and cash equivalents, investments, property taxes and other receivables, inventories, and prepaid items that are used to meet the District's ongoing obligations to its community. Remaining assets are comprised of capital assets used in operations.

The District's largest liabilities (85%) are for the long-term portion of general obligation bonded debt, lease payables, subscription 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, lease payables, and subscription payables.

Government-wide Financial Analysis

Net Position:	Governmental Activities		Increase (Decrease) from Fiscal 2022
	2023	2022	
Current and other assets	\$ 156,611,865	\$ 152,667,250	\$ 3,944,615
Capital assets	121,040,567	122,709,048	(1,668,481)
<i>Total assets</i>	<i>277,652,432</i>	<i>275,376,298</i>	<i>2,276,134</i>
Total deferred outflows of resources	58,991,839	66,299,345	(7,307,506)
Current liabilities	33,800,920	32,833,184	967,736
Long-term debt, pension, and OPEB liabilities	190,940,281	172,238,941	18,701,340
<i>Total liabilities</i>	<i>224,741,201</i>	<i>205,072,125</i>	<i>19,669,076</i>
Total deferred inflows of resources	38,878,480	73,541,722	(34,663,242)
Net investment in capital assets	102,335,367	101,010,673	1,324,694
Restricted	2,907,779	2,461,862	445,917
Unrestricted	(32,218,556)	(40,410,739)	8,192,183
<i>Total net position</i>	<i>\$ 73,024,590</i>	<i>\$ 63,061,796</i>	<i>\$ 9,962,794</i>

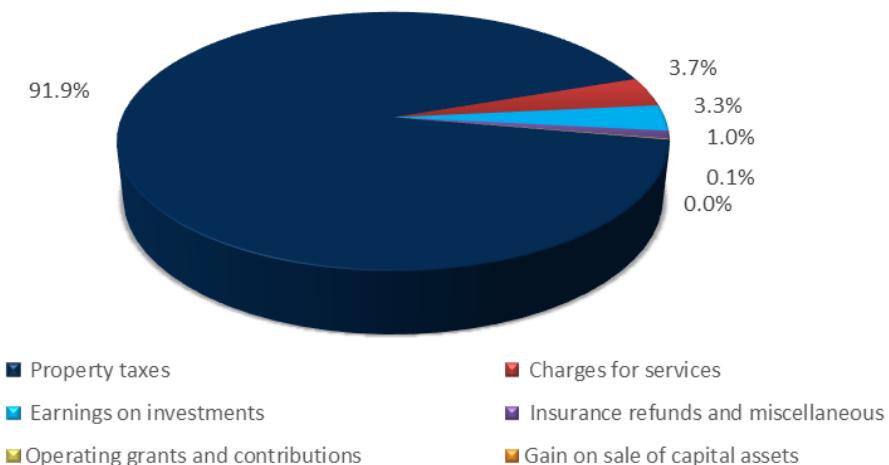
The changes in net position are shown in the following graph:



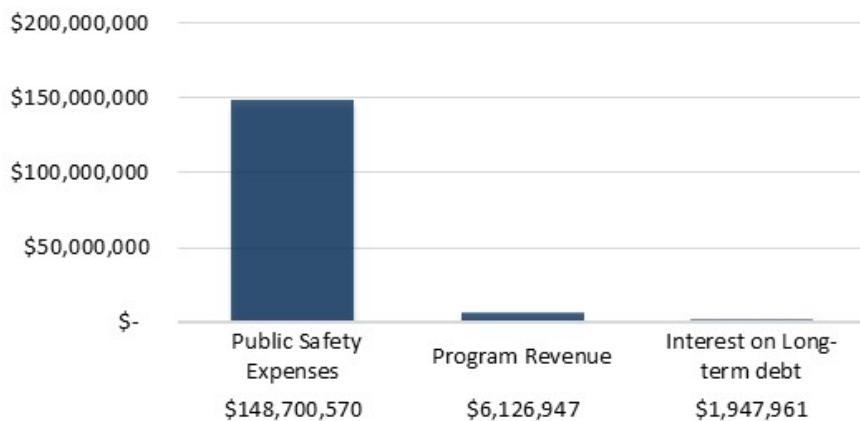
Governmental Activities. During the current fiscal year, the District's net position increased by \$9,962,794. The main contributors to the overall increase in net position were the net effects of an increase of property taxes of \$5.6 million driven by an increase in assessed valuations, an increase in investment earnings of \$4.7 million driven by an increase in interest rates and related yields, and an increase in miscellaneous revenue of \$0.3 million, offset by a decrease in capital grants and contributions of \$1.4 million from the prior year acquisition respiratory protection equipment, a decrease in gain on sales of capital of \$.5 million from the prior year sale of an in-field reporting software application, and a decrease in operating grants and contributions of \$0.2 million.

Changes in overall expenses saw an increase of \$11.2 million due to increases in public safety expenses of \$10.3 million, which resulted from the net effects of a combined increase of \$7.8 million in personnel services, materials and services, and depreciation and amortization, and an increase of \$2.5 million in actuarial calculated total pension expense, and an increase of \$0.8 million in interest expense for debt service.

2023 REVENUE SOURCES - GOVERNMENTAL ACTIVITIES



2023 EXPENSES AND PROGRAM REVENUES - GOVERNMENTAL ACTIVITIES



Government-wide Financial Analysis

Changes in Net Position:	Governmental Activities		Increase (Decrease) from Fiscal 2022
	2023	2022	
Revenues			
Program revenues			
Charges for services	\$ 5,974,057	\$ 5,872,742	\$ 101,315
Operating grants and contributions	152,890	402,535	(249,645)
Capital grants and contributions	-	1,368,041	(1,368,041)
General revenues:			
Property taxes	147,683,334	142,036,014	5,647,320
Investment earnings	5,220,425	480,145	4,740,280
Insurance dividends and refunds	929,375	882,517	46,858
Gain on sale of capital assets	1,823	497,975	(496,152)
Miscellaneous	649,421	320,704	328,717
Total revenues	<u>160,611,325</u>	<u>151,860,673</u>	<u>8,750,652</u>
Expenses			
Public safety-fire protection	148,700,570	138,388,012	10,312,558
Interest on long-term debt	1,947,961	1,100,781	847,180
Total expenses	<u>150,648,531</u>	<u>139,488,793</u>	<u>11,159,738</u>
Change in net position	<u>9,962,794</u>	<u>12,371,880</u>	<u>(2,409,086)</u>
Net position - beginning of year	<u>63,061,796</u>	<u>50,689,916</u>	<u>12,371,880</u>
Net position - end of year	<u>\$ 73,024,590</u>	<u>\$ 63,061,796</u>	<u>\$ 9,962,794</u>

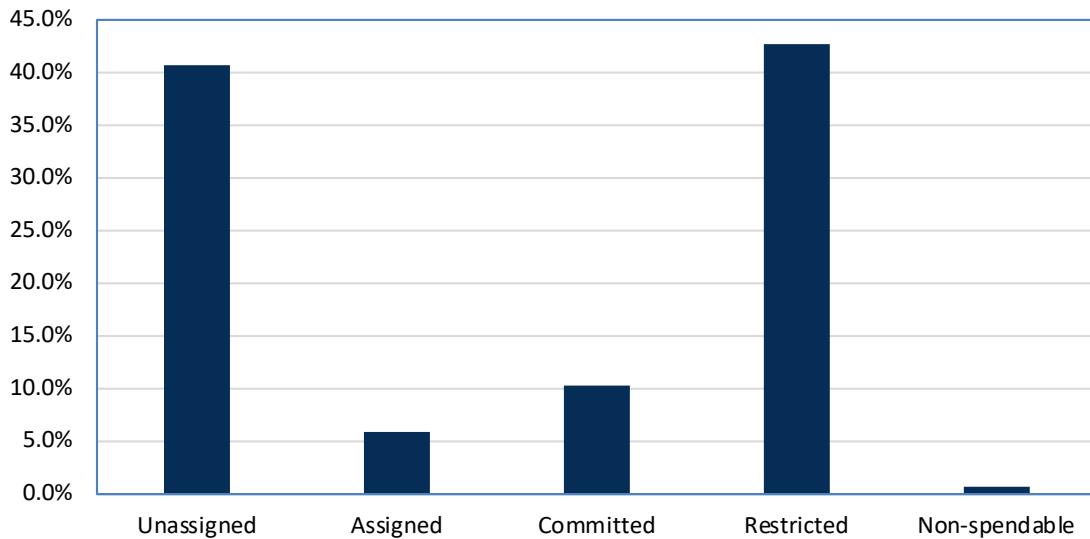
Financial Analysis of the Governmental Funds

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, 2023, the District's governmental funds reported combined ending fund balances of \$130,675,174, an increase of \$3,061,770, from the prior year's balance. This increase is primarily a result of stronger investment earnings realized from the increase on investment yields. Of this total amount (40.7%) 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 (.6%), restricted by external parties and covenants (42.7%), committed by the Board of Directors (10.2%) or assigned to a specific purpose such as capital projects (5.8%). The components of governmental funds ending fund balance is depicted below:

COMPONENTS OF ENDING FUND BALANCE
ALL GOVERNMENTAL FUNDS



General Fund. The General Fund is the primary operating fund of the District. As of June 30, 2023, unassigned fund balance of the General Fund was \$53,179,746, with total fund balance of \$67,294,632. This balance is comprised of \$9,861,664 committed to future capital purchases, \$410,672 committed to the Volunteer LOSAP Plan, \$3,000,000 assigned to fund the PERS pension obligation, and \$842,550 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 37% of total General Fund expenditures and the total fund balance represents 46.8% of total General Fund expenditures.

Management's Discussion and Analysis

The fund balance of the District's General Fund increased by \$4,188,389, or approximately 6.6% during the current fiscal year. Property tax revenue, which provides for the costs of operating the District, increased \$5,620,825 over the prior year. Charges for services saw a decrease of \$1,235,431 mostly driven by collections of COVID-19 vaccine administration revenues and conflagration reimbursements accounted for in the prior year, with an offset driven by increases in ambulance transport claims this year; operating grants and contributions decreased by \$1,065,388 mostly due to a FEMA reimbursement received in the prior year for response to a wildfire incident within District boundaries; insurance dividends and refunds increased \$160,857 over the prior year; investment earnings increased by \$2,838,565 due to increases in investment yields; and miscellaneous revenues increased by \$216,812.

Public Safety, debt service, and capital outlay expenditures increased \$611,842 overall which reflects increases in salaries and benefits offset by a decrease in capital outlay. Transfers out to other funds increased by \$450,000.

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, 2023 of \$55,193,368 is restricted for capital projects, and decreased \$2,444,561 during current fiscal year. Capital outlay for emergency response apparatus and station construction increased \$2,508,672 and investment earnings on unspent proceeds increased \$1,604,546.

General Fund Budgetary Highlights

There was one budget amendment resolution for the General Fund during the year. The General Fund budget transfer increased the appropriations for transfers out by \$1.5 million which was approved to increase reserves for future capital outlay needs for firefighting and EMS equipment, emergency apparatus, and building improvements, which was driven by one-time unbudgeted increases to General Fund investment earnings.

The General Fund revenues exceeded the final budget amount by \$7.2 million driven by property taxes, investment earnings, and charges for services and the total public safety expenses were lower than budget by \$8.9 million, as a result in budgeted savings across each of the five directorates. These budget to actual results were anticipated as the District budgets for public safety expense with a conservative approach, due to the unpredictable nature of local and regional emergency response requirements. The actual ending fund balance of \$57 million provides approximately 4.8 months of available funding which is slightly lower than the target of 5.0 months.

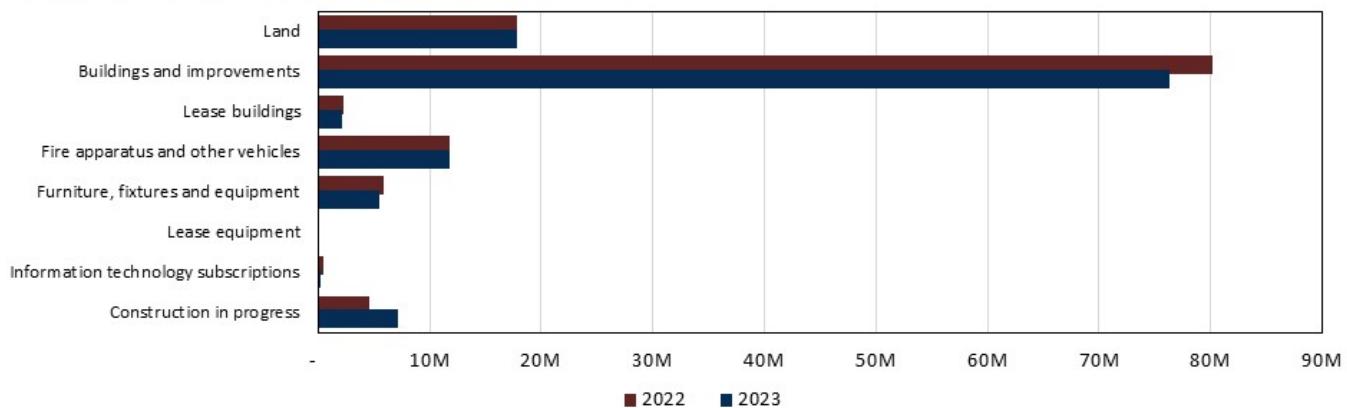
Capital Assets and Debt Administration

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, equipment and software subscriptions, and construction in progress. As of June 30, 2023, the District had invested \$121,040,567 in capital assets, net of depreciation and amortization, as shown in the following table and chart:

Capital Assets:	2023	2022 ⁽¹⁾	Increase (Decrease) from Fiscal 2022
(net of depreciation/amortization)			
Land	\$ 17,833,633	\$ 17,833,633	\$ -
Buildings and improvements	76,299,377	80,175,070	(3,875,693)
Lease buildings	2,098,247	2,344,261	(246,014)
Fire apparatus and other vehicles	11,751,026	11,761,771	(10,745)
Furniture, fixtures and equipment	5,529,161	5,880,238	(351,077)
Lease equipment	81,962	103,343	(21,381)
Information technology subscriptions	253,109	433,901	(180,792)
Construction in progress	7,194,052	4,610,732	2,583,320
Total	\$ 121,040,567	\$ 123,142,949	\$ (2,102,382)

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

CAPITAL ASSETS (NET OF DEPRECIATION/AMORTIZATION)

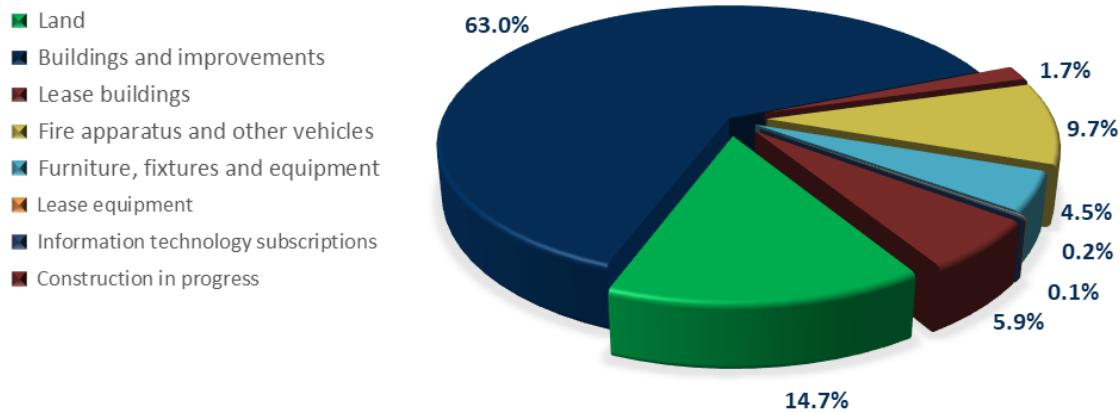


During the year, the District's investment in capital assets decreased by \$2,102,382, reflecting assets of \$4,969,305 added during the year, offset by \$6,984,485 of depreciation and amortization and \$87,202 of disposals net of related depreciation. Capital assets added during the year included firefighting apparatus, fire station building improvements, EMS equipment for patient care, physical fitness and firefighter training equipment, and information technology hardware.

The District's construction in progress includes several emergency response apparatus and vehicles and communications 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 6/30/23 (NET OF DEPRECIATION/AMORTIZATION)



Long-term Debt. At the end of the current fiscal year, the District had total bonded debt of \$70,687,047, consisting of general obligation bonds and unamortized premiums. The decrease in debt relates to the scheduled principal payments throughout the year along with the amortization of bond premiums. 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 \$1.85 billion. Additional information on the District’s long-term obligations can be found on pages 63 through 65 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 over 547,000. 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 2023-24 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. As of June 2023 unemployment for Washington County was 3.1%, which is slightly below historical pre-pandemic averages. It is

Management's Discussion and Analysis

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, 2023

	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds	Adjustments	Statement of Net Position
Assets						
Cash and cash equivalents	\$ 66,335,146	\$ 33,714,705	\$ 8,118,375	\$ 108,168,226	\$ 570,830	\$ 108,739,056
Investments	13,890,056	21,351,747	-	35,241,803	-	35,241,803
Receivables:						
Property taxes receivable	2,516,453	-	183,610	2,700,063	-	2,700,063
Other receivables (net of allowances)	1,062,535	207,132	46,953	1,316,620	61,017	1,377,637
Prepaid items	-	-	-	-	4,506,617	4,506,617
Supplies inventory	842,550	-	-	842,550	-	842,550
Other asset	-	-	-	-	855,595	855,595
Net PERS RHIA OPEB asset	-	-	-	-	2,348,544	2,348,544
Capital assets, not being depreciated:						
Land	-	-	-	-	17,833,633	17,833,633
Other capital assets	-	-	-	-	231,000	231,000
Construction in progress	-	-	-	-	7,194,052	7,194,052
Capital assets, net of accumulated depreciation:						
Buildings and improvements	-	-	-	-	78,397,624	78,397,624
Fire apparatus and other vehicles	-	-	-	-	11,520,026	11,520,026
Furniture, fixtures, equipment, and subscriptions	-	-	-	-	5,864,232	5,864,232
Total assets	<u>84,646,740</u>	<u>55,273,584</u>	<u>8,348,938</u>	<u>148,269,262</u>	<u>129,383,170</u>	<u>277,652,432</u>
Deferred Outflows of Resources						
Deferred refunding charge	-	-	-	-	1,019,826	1,019,826
PERS RHIA OPEB	-	-	-	-	31,907	31,907
Single employer plan OPEB	-	-	-	-	209,202	209,202
Multiple employer cost-sharing plan OPEB	-	-	-	-	9,416,105	9,416,105
PERS Pension related deferred outflows	-	-	-	-	48,314,799	48,314,799
Total deferred outflows of resources	-	-	-	-	58,991,839	58,991,839
Total assets and deferred outflows	<u><u>\$ 84,646,740</u></u>	<u><u>\$ 55,273,584</u></u>	<u><u>\$ 8,348,938</u></u>	<u><u>\$ 148,269,262</u></u>	<u><u>\$ 188,375,009</u></u>	<u><u>336,644,271</u></u>
Liabilities						
Accounts payable	\$ 4,389,377	\$ 49,266	\$ 1,995	\$ 4,440,638	\$ 6,842	\$ 4,447,480
Accrued salaries and benefits payable	10,239,693	-	-	10,239,693	-	10,239,693
Accrued interest payable	-	-	-	-	297,906	297,906
Long-term liabilities:						
Due within one year:						
Bonds, leases, subscriptions, compensated absences	-	-	-	-	18,815,841	18,815,841
Due in more than one year:						
Bonds, leases, subscriptions, compensated absences	-	-	-	-	66,454,672	66,454,672
Total OPEB liability - single employer plan	-	-	-	-	638,568	638,568
Total OPEB liability - multiple employer cost-sharing plan	-	-	-	-	20,559,168	20,559,168
Total pension liability (LOSAP)	-	-	-	-	244,192	244,192
Total pension liability (Pension Plan)	-	-	-	-	185,747	185,747
Net pension liability (PERS)	-	-	-	-	102,857,934	102,857,934
Total liabilities	<u>14,629,070</u>	<u>49,266</u>	<u>1,995</u>	<u>14,680,331</u>	<u>210,060,870</u>	<u>224,741,201</u>
Deferred Inflows of Resources						
Unavailable revenue - property taxes	2,154,739	-	159,769	2,314,508	(2,314,508)	-
Unavailable revenue - transport	298,419	-	-	298,419	(298,419)	-
Unavailable revenue - FEMA claim	88,199	-	-	88,199	(88,199)	-
Unavailable revenue - other	181,681	30,950	-	212,631	(212,631)	-
PERS RHIA OPEB related inflows	-	-	-	-	603,465	603,465
Single employer plan OPEB related inflows	-	-	-	-	293,750	293,750
Multiple employer cost-sharing plan OPEB related inflows	-	-	-	-	1,840,181	1,840,181
PERS Pension related deferred inflows	-	-	-	-	36,141,084	36,141,084
Total deferred inflows of resources	<u>2,723,038</u>	<u>30,950</u>	<u>159,769</u>	<u>2,913,757</u>	<u>35,964,723</u>	<u>38,878,480</u>

(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, 2023

	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds	Adjustments	Statement of Net Position
Fund balances:						
Non-spendable	\$ 842,550	\$ -	\$ -	\$ 842,550	\$ (842,550)	
Restricted for capital projects	- -	55,193,368	- -	55,193,368	(55,193,368)	
Restricted for debt service	- -	- -	559,235	559,235	(559,235)	
Committed to MERRC	- -	- -	3,019,503	3,019,503	(3,019,503)	
Committed to grants	- -	- -	83,145	83,145	(83,145)	
Committed to capital purchases	9,861,664	- -	- -	9,861,664	(9,861,664)	
Committed to Volunteer LOSAP	410,672	- -	- -	410,672	(410,672)	
Assigned to capital projects	- -	- -	4,525,291	4,525,291	(4,525,291)	
Assigned to PERS reserve	3,000,000	- -	- -	3,000,000	(3,000,000)	
Unassigned	53,179,746	- -	- -	53,179,746	(53,179,746)	
Total fund balances	<u>67,294,632</u>	<u>55,193,368</u>	<u>8,187,174</u>	<u>130,675,174</u>	<u>\$ (130,675,174)</u>	
Total liabilities, deferred inflows, and fund balances	<u><u>\$ 84,646,740</u></u>	<u><u>\$ 55,273,584</u></u>	<u><u>\$ 8,348,938</u></u>	<u><u>\$ 148,269,262</u></u>		
Net Position:						
Net investment in capital assets					\$ 102,335,367	
Restricted for:						
Debt service					559,235	
Net PERS RHIA OPEB asset					2,348,544	
Unrestricted					(32,218,556)	
Total net position					<u><u>\$ 73,024,590</u></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, 2023

	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds	Adjustments	Statement of Activities
Revenues						
Program Revenues:						
Charges for services	\$ 5,776,550	\$ -	\$ 647	\$ 5,777,197	\$ 196,860	\$ 5,974,057
Program fees	-	-	313,369	313,369	(313,369)	-
Operating grants and contributions	146,856	-	6,034	152,890	-	152,890
General Revenues:						
Property taxes	138,053,293	-	9,652,217	147,705,510	(22,176)	147,683,334
Investment earnings	3,182,172	1,678,179	313,440	5,173,791	46,634	5,220,425
Insurance dividends and refunds	854,736	-	-	854,736	74,639	929,375
Gain on sale of capital assets	-	-	-	-	1,823	1,823
Miscellaneous	524,553	2,500	117,200	644,253	5,168	649,421
Total revenues	<u>148,538,160</u>	<u>1,680,679</u>	<u>10,402,907</u>	<u>160,621,746</u>	<u>(10,421)</u>	<u>160,611,325</u>
Expenditures/expenses						
Current:						
Public Safety	142,239,057	13,165	17,588	142,269,810	6,430,760	148,700,570
Debt service:						
Principal	365,147	-	6,090,000	6,455,147	(6,455,147)	-
Interest	31,063	-	3,580,426	3,611,489	(1,663,528)	1,947,961
Capital outlay	1,087,887	4,112,075	31,736	5,231,698	(5,231,698)	-
Total expenditures/expenses	<u>143,723,154</u>	<u>4,125,240</u>	<u>9,719,750</u>	<u>157,568,144</u>	<u>(6,919,613)</u>	<u>150,648,531</u>
Excess (deficiency) of revenues over (under) expenditures/expenses	<u>4,815,006</u>	<u>(2,444,561)</u>	<u>683,157</u>	<u>3,053,602</u>	<u>6,909,192</u>	<u>9,962,794</u>
Other Financing Sources (Uses)						
Transfers in	15,215	-	650,000	665,215	(665,215)	-
Transfers out	(650,000)	-	(15,215)	(665,215)	665,215	-
Proceeds on sale of surplus property	8,168	-	-	8,168	(8,168)	-
Total other financing sources (uses)	<u>(626,617)</u>	<u>-</u>	<u>634,785</u>	<u>8,168</u>	<u>(8,168)</u>	<u>-</u>
Net change in fund balances/net position	<u>4,188,389</u>	<u>(2,444,561)</u>	<u>1,317,942</u>	<u>3,061,770</u>	<u>6,901,024</u>	<u>9,962,794</u>
Fund balances/net position						
Beginning of the year	<u>63,106,243</u>	<u>57,637,929</u>	<u>6,869,232</u>	<u>127,613,404</u>	<u>(64,551,608)</u>	<u>63,061,796</u>
End of the year	<u><u>\$ 67,294,632</u></u>	<u><u>\$ 55,193,368</u></u>	<u><u>\$ 8,187,174</u></u>	<u><u>\$ 130,675,174</u></u>	<u><u>\$ (57,650,584)</u></u>	<u><u>\$ 73,024,590</u></u>

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, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues				
Property taxes:				
Current year's levy	\$ 134,139,879	\$ 134,139,879	\$ 136,314,586	\$ 2,174,707
Prior years' levies	1,199,923	1,199,923	1,353,745	153,822
Taxes in lieu of property taxes	184,617	184,617	135,183	(49,434)
Forest revenues	150,000	150,000	249,779	99,779
Interest on taxes	79,000	79,000	161,126	82,126
Investment earnings	255,000	255,000	2,753,603	2,498,603
Charges for services	4,342,916	4,342,916	5,702,002	1,359,086
Rental income	60,000	60,000	74,548	14,548
Grants and contributions	25,000	25,000	146,856	121,856
Insurance dividends and refunds	350,000	350,000	854,736	504,736
Miscellaneous	278,950	278,950	524,553	245,603
Total revenues	<u>141,065,285</u>	<u>141,065,285</u>	<u>148,270,717</u>	<u>7,205,432</u>
Expenditures				
Public Safety				
Command	4,377,432	4,377,432	3,683,137	694,295
Business	12,913,651	12,913,651	10,886,623	2,027,028
Finance	10,889,721	10,889,721	9,711,401	1,178,320
Operations	116,316,517	116,316,517	112,368,371	3,948,146
Community Services	6,760,124	6,760,124	5,697,079	1,063,045
Total Public Safety	<u>151,257,445</u>	<u>151,257,445</u>	<u>142,346,611</u>	<u>8,910,834</u>
Operating contingency	4,142,000	2,642,000	-	2,642,000
Total expenditures	<u>155,399,445</u>	<u>153,899,445</u>	<u>142,346,611</u>	<u>11,552,834</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,334,160)</u>	<u>(12,834,160)</u>	<u>5,924,106</u>	<u>18,758,266</u>
Other Financing Sources (Uses)				
Transfers in	-	-	15,215	15,215
Transfers out	(2,234,000)	(3,734,000)	(3,693,008)	40,992
Proceeds on sale of surplus property	25,000	25,000	5,168	(19,832)
Total other financing sources (uses)	<u>(2,209,000)</u>	<u>(3,709,000)</u>	<u>(3,672,625)</u>	<u>36,375</u>
Net change in fund balance	(16,543,160)	(16,543,160)	2,251,481	18,794,641
Fund balance, June 30, 2022	57,233,254	57,233,254	54,770,815	(2,462,439)
Fund balance, June 30, 2023	<u>\$ 40,690,094</u>	<u>\$ 40,690,094</u>	<u>\$ 57,022,296</u>	<u>\$ 16,332,202</u>

**Reconciliation of Budgetary Fund Balance
to GAAP Fund Balance**

Fund Balance - budgetary basis	\$ 57,022,296
Fund Balance - Apparatus Fund ⁽¹⁾	4,191,073
Fund Balance - Capital Improvements Fund ⁽¹⁾	5,670,591
Fund Balance - Volunteer LOSAP Fund ⁽¹⁾	<u>410,672</u>
Fund Balance - GAAP Basis	<u>\$ 67,294,632</u>

⁽¹⁾ Refer to page 116 for 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, 2023

	<i>Governmental Activities</i>	
	Internal Service Fund	
Assets		
Current:		
Cash and cash equivalents	\$ 570,830	
Accounts receivable	61,017	
Total assets	<u>631,847</u>	
Liabilities		
Current:		
Accounts payable	<u>6,842</u>	
Total liabilities	<u>6,842</u>	
Net Position		
Unrestricted net position	<u><u>\$ 625,005</u></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, 2023

	<i>Governmental Activities</i>
	<i>Internal Service Fund</i>
Operating Revenue	
Insurance refunds	\$ 74,639
Operating Expense	
Insurance claims	<u>83,717</u>
Operating loss	(9,078)
Nonoperating Revenue	
Investment earnings	<u>15,684</u>
Change in net position	6,606
Net position, June 30, 2022	<u>618,399</u>
Net position, June 30, 2023	<u><u>\$ 625,005</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, 2023

	<i>Governmental Activities</i>	
	<i>Internal Service Fund</i>	
Cash Flows From Operating Activities		
Received from insurance reimbursements and refunds	\$ 74,639	
Paid for insurance claims	(156,618)	
Net cash from operating activities	<u>(81,979)</u>	
Cash Flows From Investing Activities		
Interest received on investments	<u>15,684</u>	
Net decrease in cash and cash equivalents	(66,295)	
Cash and cash equivalents, June 30, 2022	<u>637,125</u>	
Cash and cash equivalents, June 30, 2023	<u>\$ 570,830</u>	
Reconciliation of operating loss to net cash from operating activities		
Operating loss	\$ (9,078)	
Increase in accounts receivable	(60,542)	
Decrease in accounts payable	<u>(12,359)</u>	
Net cash from operating activities	<u>\$ (81,979)</u>	

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, 2023

	Custodial Fund
<hr/>	
Assets	
Cash and cash equivalents	\$ 173,627
Total assets	<u>173,627</u>
<hr/>	
Liabilities	
Accounts payable	683
Total liabilities	<u>683</u>
<hr/>	
Net Position	
Restricted for other organizations	172,944
Total net position	<u>\$ 172,944</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, 2023

	Custodial Fund
<hr/>	
Additions	
Donations	\$ 62,035
Total additions	<u>62,035</u>
<hr/>	
Deductions	
Payments for fiduciary activities	51,448
Total deductions	<u>51,448</u>
Net increase in fiduciary net position	10,587
Net position - June 30, 2022	162,357
Net position - June 30, 2023	<u>\$ 172,944</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, 2023, 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 emergency medical transport revenues.

Separate financial statements are provided for governmental funds and the proprietary fund with the latter included in the government-wide financial statements. A separate financial statement is also provided for the fiduciary fund.

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 granting the District the right to use lease assets and information technology software, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases and subscription-based information technology arrangements 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. 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 all funds are appropriated at the program level. For the General Fund the program level is organized by activity directorate. 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 one budget amendment during the year ended June 30, 2023. 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, conflagration deployment billings, hazardous materials response billings, interest, ambulance transport service billings and other accounts receivable at year end.

Ambulance transport service receivables consist of charges to insurance providers and patients net of allowances for contractual discounts and uncompensated care which are 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, 2023, 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 intangible right-to-use lease and information technology subscription 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
Lease assets - buildings	2 – 30 years
Lease assets - equipment	2 – 10 years
Subscription assets - software	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 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 noncancelable 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 noncancelable 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, 2023 the District had no noncancelable lessor arrangements significant to the financial statements. Lease payments for lessor arrangements are recorded as rental revenue in the fund statements.

12. Subscription-based information technology arrangements

The District implemented GASB No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs) on July 1, 2022. This statement requires recognition of certain contracts, which convey control of the right to use another party's information technology, as a subscription asset and a corresponding subscription liability, that previously were classified as operating subscriptions and recognized as outflows of resources based upon the payment provisions of the contract. SBITAs, where the maximum possible subscription term is one year or less, continue to be reported as operating subscriptions.

The District recognizes subscription liabilities with an initial, individual value of \$100,000 or more. Subscription liabilities are recognized as the net present value of the fixed payments expected to be made during the subscription term, which is the noncancelable period of the agreement. The subscription liability is reduced by principal payments made. The right-to-use subscription asset is measured as the initial amount of the subscription liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs. The right-to-use subscription asset is amortized on a straight-line basis over its useful life.

To determine the discount rate used to discount the fixed payments to the present value, the District uses the interest rate charged by the vendor as the discount rate. When the interest charged by the vendor is not provided, the District will generally use its estimated incremental borrowing rate at the inception of the agreement.

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 25th, with taxes due in three installments on November 15th, February 15th and May 15th. Residents who pay in full by November 15th 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, 2023, 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:

Fund balance, Governmental Fund Balance Sheet	\$ 130,675,174
<i>Items that are not current financial resources or liabilities, and thus are not reported in the fund statements:</i>	
Prepaid items	4,506,617
Other asset	855,595
Capital assets, net	121,040,567
Unavailable revenue	2,913,757
Lease payables	(2,297,303)
Subscription payables	(213,182)
Accrued compensated absences	(12,072,981)
Accrued interest payable on long-term debt	(297,906)
Long-term bonded debt	(70,687,047)
Deferred refunding charge on refunded bonds	1,019,826
Net PERS RHIA OPEB asset and related deferrals	1,776,986
Total single-employer OPEB liability and related deferrals	(723,116)
Total multiple-employer cost sharing OPEB liability and related deferrals	(12,983,244)
Total pension liability - Frozen Pension Plan	(185,747)
Total pension liability - LOSAP	(244,192)
Net pension liability - PERS	(102,857,934)
PERS Pension related outflows	48,314,799
PERS Pension related inflows	(36,141,084)
Net position of internal service funds combined with governmental activities	625,005
Net position, Statement of Net Position	\$ 73,024,590

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:

Net changes in fund balances \$ 3,061,770

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:

Net increase in capital assets of \$5,316,004 less depreciation and amortization for the year (\$6,984,485), including capitalization of right-to-use subscription assets in accordance with GASB 96, <i>Subscription-Based Information Technology Arrangements</i>	(1,668,481)
Net decrease in other assets	(132,545)
Net decrease in lease payables	188,671
Net increase in subscription payables	(213,182)
Property taxes not meeting the measurable and available criteria	(22,176)
Payments and amortization on long-term debt, change in accrued interest payable, issuance of long-term debt, and deferred refunding charge	7,742,391
Net increase in accrued compensated absences	(1,378,201)
Certain revenues recognized as measurable and available in the current year	(85,559)
Net increase in net PERS RHIA OPEB asset and related deferrals	515,389
Net decrease in total single-employer OPEB liability and related deferrals	66,659
Net increase in total multiple-employer OPEB liability and related deferrals	(1,552,886)
Net decrease in total pension liability - Frozen Pension Plan	36,952
Net decrease in total pension liability - LOSAP	10,982
Net increase in prepaid assets	671,961
Net decrease in net pension liability and related deferrals - PERS	2,714,443

Amounts considered current financial resources and reported in the funds, but which are not considered in the full accrual Statement of Activities:

Increase in net position of internal service fund combined with governmental activities 6,606

Net change in net position \$ 9,962,794

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, 2023 was \$51,219,812 and the total bank balance was

\$51,467,486. The District's demand deposits are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC), with the exception of \$1,291 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, 2023, 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		736,864
Deposits with financial institutions		51,219,812
State of Oregon Local Government Investment Pool		56,955,407
Investments:		
US Treasury obligations		32,992,736
Commercial paper		1,842,637
Mutual funds		406,430
Total cash, cash equivalents, and investments	\$	144,154,486

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

Cash, cash equivalents and investments		
Unrestricted:		
Cash and cash equivalents	\$	108,739,056
Investments		35,241,803
Primary government cash, cash equivalents, and investments		143,980,859
Fiduciary Funds		173,627
Total cash, cash equivalents, and investments	\$	144,154,486

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, 2023, 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, 2023, 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	\$ 32,992,736	\$ 32,992,736	\$ -
Commercial paper	1,842,637	1,842,637	-
Mutual funds	406,430	-	-
Total Investments	\$ 35,241,803	\$ 34,835,373	\$ -

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, 2023.

LGIP Maturity Distribution of Portfolio			
	In Compliance	Objective	Actual
Percent of portfolio to mature within 93 days	Yes	> 50%	65.60%
Percent of portfolio to mature over one year	Yes	< 25%	15.55%
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, 2023, the District's investments were rated by Standard & Poor's rating agency as follows:

Investment Type	Fair Value	Ratings as of Year End				Unrated
		AA+	A-1+	A-1	-	
U.S. Treasury obligations	\$ 32,992,736	\$ 21,351,747	\$ 11,640,989	\$ -	\$ -	
Commercial paper	1,842,637	-	-	1,842,637	-	
Mutual funds	406,430	-	-	-	406,430	
Total Investments	\$ 35,241,803	\$ 21,351,747	\$ 11,640,989	\$ 1,842,637	\$ 406,430	

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, *Deposit and Investment Risk Disclosures* the District is required to report all individual non-federal investments which exceed 5.0% of total invested funds. As of June 30, 2023 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, 2023, 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	\$ 32,992,736	\$ -	\$ 32,992,736	\$ -
Commercial paper	1,842,637	-	1,842,637	-
Mutual funds	406,430	406,430	-	-
Total investments at fair value	\$ 35,241,803	\$ 406,430	\$ 34,835,373	\$ -

B. Receivables

Ambulance transport service receivables of \$712,643 consist of charges to insurance providers and patients of \$2,222,512 net of allowances for contractual discounts of \$1,204,645 and uncompensated care of \$305,224 and are based on management's estimates of collectability.

Other accounts receivable of \$664,994 include FEMA disaster claims, hazardous materials response, ambulance transport supplies reimbursement, maintenance assurance agreements, coupon interest and other miscellaneous receivables and are deemed to be fully collectible as of June 30, 2023.

C. Capital assets

Capital Assets consist of the following at June 30, 2023:

	Balance June 30, 2022 ⁽¹⁾	Increases	Decreases	Balance June 30, 2023
Governmental activities:				
Non-depreciable capital assets:				
Land	\$ 17,833,633	\$ -	\$ -	\$ 17,833,633
Other capital assets	231,000	-	-	231,000
Construction in progress	4,610,732	4,102,690	(1,519,370)	7,194,052
Total capital assets, not being depreciated	22,675,365	4,102,690	(1,519,370)	25,258,685
Capital assets, being depreciated:				
Buildings and improvements	119,174,493	219,345	(8,300)	119,385,538
Lease buildings	2,546,063	-	(44,243)	2,501,820
Fire apparatus and other vehicles	39,980,318	1,573,745	(83,992)	41,470,071
Furniture, fixtures, and equipment	11,463,186	592,895	(521,069)	11,535,012
Lease equipment	106,907	-	-	106,907
Information technology subscriptions	433,901	-	-	433,901
Total capital assets, being depreciated	173,704,868	2,385,985	(657,604)	175,433,249
Less accumulated depreciation and amortization for:				
Buildings and improvements	(38,999,423)	(4,094,116)	7,378	(43,086,161)
Lease buildings	(201,802)	(201,771)	-	(403,573)
Fire apparatus and other vehicles	(28,449,547)	(1,584,490)	83,992	(29,950,045)
Furniture, fixtures, and equipment	(5,582,948)	(901,935)	479,032	(6,005,851)
Lease equipment	(3,564)	(21,381)	-	(24,945)
Information technology subscriptions	-	(180,792)	-	(180,792)
Total accumulated depreciation and amortization	(73,237,284)	(6,984,485)	570,402	(79,651,367)
Total capital assets being depreciated and amortized, net	100,467,584	(4,598,500)	(87,202)	95,781,882
Total capital assets, net of depreciation and amortization	\$ 123,142,949	\$ (495,810)	\$ (1,606,572)	\$ 121,040,567

(1) Restated for implementation of GASB 96, *Subscription-Based Information Technology Arrangements*

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, 2023 were as follows:

Interfund Transfers	Transfers In	Transfers Out
General Fund	\$ 15,215	\$ 650,000
Nonmajor funds	650,000	15,215
	<u>\$ 665,215</u>	<u>\$ 665,215</u>

The District made a transfer from the General Fund to the Property and Building Fund in the amount of \$650,000 to accumulate resources for land acquisition and construction costs for new and existing facilities. The Grants fund made a transfer out to the General Fund in the amount of \$15,215 to return the unspent balance of funds related to a regional FEMA grant.

E. Lease 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, *Leases*. The District made total principal and interest payments of \$85,615 and \$21,671, respectively, for fiscal year 2023. As of June 30, 2023 the value of the lease liability was \$1,417,656. The value of the right-to-use asset as of June 30, 2023 was \$1,586,484 and had accumulated amortization of \$228,000. The future principal and interest lease payments as of June 30, 2023, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
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	109,895	14,478	124,373
2029-2033	634,345	45,782	680,127
2034-2035	284,123	4,255	288,378
Totals	<u>\$ 1,417,656</u>	<u>\$ 137,531</u>	<u>\$ 1,555,187</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, *Leases*. 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. In December 2022, the District executed a lease amendment to include a rent holiday period as settlement for certain site related remediation issues and remeasured the lease to include the provisions of the amendment which resulted in a reduction of the lease liability and corresponding asset of \$44,243. All other terms and conditions of the lease remain unchanged. The District made total principal and interest payments of \$38,647 and \$6,557, respectively, for the fiscal year 2023. As of June 30, 2023 the value of the lease liability was \$796,475. The value of the right-to-use asset as of June 30, 2023 was \$915,336 and had accumulated amortization of \$175,573. The future principal and interest lease payments as of June 30, 2023, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 68,974	\$ 11,161	\$ 80,135
2025	81,379	10,013	91,392
2026	85,188	8,808	93,996
2027	89,125	7,547	96,672
2028	93,201	6,228	99,429
2029-2032	378,608	10,556	389,164
Totals	\$ 796,475	\$ 54,313	\$ 850,788

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 calculated using the District's estimated incremental borrowing rate of 3.01%. As of June 30, 2023, the value of the lease liability was \$83,172. The District made total principal and interest payments of \$20,166 and \$2,834, respectively, for fiscal year 2023. The value of the right-to-use asset as of June 30, 2023 was \$106,907 and had accumulated amortization of \$24,945. The future principal and interest lease payments as of June 30, 2023, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
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	\$ 83,172	\$ 4,995	\$ 88,167

F. Subscription-based information technology arrangements payable

For the year ended June 30, 2023, the District has reported the following subscription activity consistent with the adoption of GASB Statement 96, *Subscription-based information technology arrangements*, with activity reported based on the facts in place as of the beginning of the implementation period. As of July 1, 2022, the District had 24 months remaining on a subscription agreement for the right-to-use of Microsoft 365 software.

Notes to the Basic Financial Statements

An initial subscription liability was recorded in the amount of \$433,901 using the District's estimated incremental borrowing rate of 3.51%. As of June 30, 2023, the value of the subscription liability is \$213,182. The District made total principal and interest payments of \$220,719 and \$5,629 respectively, for fiscal year 2023. The value of the right-to-use subscription asset as of June 30, 2023 was \$253,109 with accumulated amortization of \$180,792. The future principal and interest subscription payments as of June 30, 2023, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 213,182	\$ 1,909	\$ 215,091
Totals	<u>\$ 213,182</u>	<u>\$ 1,909</u>	<u>\$ 215,091</u>

The principal and interest commitments, stated below, include subscription-based information technology arrangements that have commencement dates subsequent to the reporting date.

On June 28, 2023 the District entered into a subscription arrangements for personnel performance management software. The District's estimated incremental borrowing rate used in the liability calculation was 4.32%. The District will record an initial subscription liability effective July 1, 2023 of \$190,966. The future principal and interest subscription payments as of June 30, 2023, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 63,295	\$ 5,148	\$ 68,443
2025	60,834	3,173	64,007
2026	66,837	250	67,087
Totals	<u>\$ 190,966</u>	<u>\$ 8,571</u>	<u>\$ 199,537</u>

On June 28, 2023 the District entered into a subscription arrangement for geographic information system software. The District's estimated incremental borrowing rate used in the liability calculation was 4.32%. The District will record an initial subscription liability effective January 1, 2024 of \$370,558. The future principal and interest subscription payments as of June 30, 2023, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 98,715	\$ 4,929	\$ 103,644
2025	86,736	10,406	97,142
2026	90,558	6,515	97,073
2027	94,549	2,452	97,001
Totals	<u>\$ 370,558</u>	<u>\$ 24,302</u>	<u>\$ 394,860</u>

G. 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, which originally totaled \$1,017,168, and 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, 2023 are as follows:

	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023
Software Investment Account	\$ 988,140	\$ -	\$ (132,545)	\$ 855,595

H. 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 of 2.25%. 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, 2023, that amount was \$1,854 million. As of June 30, 2023, the total general obligation bonded debt was \$60,945,000, plus unamortized premium of \$9,742,047. The total outstanding debt applicable to the limit was \$70.1 million which is 3.78% of the total debt limit.

Changes in long-term liabilities

Changes in the District's general obligation bonds, lease payables, subscription payables, and compensated absences for the year ended June 30, 2023 are as follows:

Issue Date	Original Issue	Outstanding at June 30, 2022 ⁽¹⁾	Additions	Reductions	Outstanding at June 30, 2023	Due Within One Year	Interest Rates to Maturity
General Obligation Bonds:							
March 25, 2015	\$ 9,905,000	\$ 2,775,000	\$ -	\$ (1,385,000)	\$ 1,390,000	\$ 1,390,000	2.25%
March 25, 2015	5,000,000	1,310,000	-	(640,000)	670,000	670,000	2.25%
October 18, 2017	12,310,000	6,960,000	-	(1,795,000)	5,165,000	335,000	4.00 - 5.00%
May 6, 2020	14,920,000	6,260,000	-	-	6,260,000	515,000	1.16 - 1.91%
March 15, 2022	49,730,000	49,730,000	-	(2,270,000)	47,460,000	4,275,000	5.00%
Total General Obligation Bonds	67,035,000	-	(6,090,000)	60,945,000	7,185,000		
Unamortized Premium:	11,085,688	-	(1,343,641)	9,742,047	1,298,196		
Lease Payables:	2,485,974	-	(188,671)	2,297,303	179,886		
Subscription Payables:	433,901	-	(220,719)	213,182	213,182		
Compensated Absences:	10,694,780	11,643,833	(10,265,632)	12,072,981	9,939,577		
Total	\$ 91,735,343	\$ 11,643,833	\$ (18,108,663)	\$ 85,270,513	\$ 18,815,841		

(1) Restated for implementation of GASB 96, *Subscription-Based Information Technology Arrangements*

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
	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	8,075,000	1,475,711	9,550,711	
2029-2031	23,725,000	2,161,767	25,886,767	
	\$ 60,945,000	\$ 12,833,643	\$ 73,778,643	

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 WCCA, an ORS 190 entity, which is an intergovernmental entity created by agreement of local governments. WCCA functions as a 911 dispatch agency. The District is a participating member of the agreement. During the year ended June 30, 2023, the District paid \$2,438,655 to WCCA 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 2023 was \$2,896,047 of which \$2,329,291 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, 2023.

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 \$1,286,000 for fiscal year 2023.

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 \$13,000 for fiscal year 2023.

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 \$109,000 for fiscal year 2023.

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 \$152,000 and \$32,000 respectively from Washington and Clackamas Counties for fiscal year 2023.

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 \$2,000 in Washington County and approximately \$7,000 in Yamhill County for fiscal year 2023.

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, 2023 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, 2023 were approximately \$18,569,000 exclusive of the 6% “pick-up” and amortization of the District’s side account with PERS. 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 \$4,247,000, of which \$860,000 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 annual comprehensive 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.

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, 2023, the District reported a liability of \$102,857,934 for its proportionate share of the plan net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. 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, 2023 and 2022, the District’s proportion was 0.67174694% and 0.66061580%, respectively.

For the year ended June 30, 2023, the District recognized pension expense of \$15,281,276 for the defined benefit portion of the pension plan.

At June 30, 2023, 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	\$ 4,992,923	\$ 641,441
Changes in assumptions	16,138,966	147,446
Net difference between projected and actual earnings on pension plan investments	-	18,389,009
Changes in District's proportionate share	4,484,439	8,233,742
Differences between District contribution and proportionate share of system contributions	4,604,973	8,729,446
Subtotal	30,221,301	36,141,084
District contributions subsequent to the measurement date	18,093,498	-
Total	\$ 48,314,799	\$ 36,141,084

Deferred outflows of resources related to pensions of \$18,093,498 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, 2024. 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:		
2024	\$ 328,123	
2025	(4,086,715)	
2026	(9,240,960)	
2027	7,541,096	
2028	(461,327)	
Total	\$ (5,919,783)	

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, 2020
• Measurement Date	June 30, 2022
• Experience Study	2020, published July 20, 2021
• 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	

Healthy retirees and beneficiaries:

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.

Active members:

Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Disabled retirees:

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 2020 Experience Study, which reviewed experience for the four-year period ended on December 31, 2020.

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	\$ 182,409,649	\$ 102,857,934	\$ 36,276,822

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	25.0	-	35.0	30.0
Real Estate	7.5	-	17.5	12.5
Private Equity	15.0	-	27.5	20.0
Risk Parity	0.0	-	3.5	2.5
Real Assets ²	2.5	-	10.0	7.5
Diversifying Strategies ²	2.5	-	10.0	7.5
Opportunity Portfolio ¹	0.0	-	5.0	0.0
Total				100.0 %

¹ Opportunity Portfolio is an investment strategy and it may be invested up to 5% of total Fund assets.

² In October 2021 the Alternatives Portfolio was split into Real Assets and Diversifying Strategies

Long-Term Expected Rate of Return ¹

Asset Class	Target Allocation	Annual Arithmetic Return ²	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 ³	1.77	1.76	1.20
Assumed Inflation - Mean			2.40 %	1.65 %

¹ 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.

² 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.

³ 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, 2022, 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
- Net 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, 2022 – 5.5 years
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

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.

As of June 30, 2022, the date of the most recent actuarial valuation, the plan is maintained for two beneficiaries of retired employees who are 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, 2023, 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, 2023, the District recognized pension expense of \$7,104 for the defined benefit pension plan.

The change in Total Pension Liability for the year ended June 30, 2023 is as follows:

Change in Total Pension Liability	6/30/2023
Total Pension Liability, June 30, 2022	\$ 222,699
Benefit payments	(44,056)
Interest on Total Pension Liability	7,104
Total Pension Liability, June 30, 2023	<u>\$ 185,747</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:

Sensitivity of Total Pension Liability	1% Decrease (2.54%)	Current		1% Increase (4.54%)
		Discount Rate (3.54%)		
Total Pension Liability on 6/30/23	\$ 196,557	\$ 185,747		\$ 176,127

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, 2023, the District recognized pension expense of \$8,685 for the LOSAP plan. The change in Total Pension Liability for the year ended June 30, 2023 is as follows:

Change in Total LOSAP Pension Liability	6/30/2023
Total Pension Liability, June 30, 2022	\$ 255,174
Benefit payments	(19,667)
Interest on Total Pension Liability	8,685
Total Pension Liability, June 30, 2023	<u>\$ 244,192</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:

Sensitivity of Total LOSAP Liability	Current		
	1% Decrease	Discount Rate	1% Increase
Total Pension Liability on 6/30/23	\$ 269,349	\$ 244,192	\$ 222,921

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 \$638,568 and components of OPEB Expense as of June 30, 2023, 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, 2023, the District recognized OPEB expense of \$33,422 for the OPEB plan.

Changes in Total OPEB Liability

Change in Total OPEB Liability	6/30/2023
Total OPEB Liability, June 30, 2022	\$ 699,217
Benefit payments	(100,081)
Service cost	16,451
Interest on Total OPEB Liability	22,981
<u>Total OPEB Liability, June 30, 2023</u>	<u>\$ 638,568</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 6/30/23	\$ 677,282	\$ 638,568	\$ 602,790

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 6/30/23	\$ 591,973	\$ 638,568	\$ 691,221

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

For the year ended June 30, 2023, the District recognized OPEB expense of \$33,422. At June 30, 2023 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	\$ 209,202	\$ -
Changes of assumptions or other inputs	-	293,750
Total	\$ 209,202	\$ 293,750

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
Fiscal Year Ending	
2024	\$ (6,010)
2025	(6,010)
2026	(6,010)
2027	(24,315)
2028	(27,286)
All subsequent years	(14,917)
Total	\$ (84,548)

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, 2023, the Trust has nine participating employers, Tualatin Valley Fire and Rescue, Molalla Rural Fire Protection, Local 1660 Admin, 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, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Discount rate: 3.65%
- Inflation: 2.5%
- Salary increases: 3.5%
- Medical cost trend rates: 5% annual increase in all future years

The 3.65% discount rate assumption is the June 30, 2023 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, 2021 actuarial valuation of the Oregon Public Employees Retirement System for Police and Fire employees.

Changes in Total OPEB Liability

Change in Total OPEB Liability	6/30/2023
Total OPEB Liability, June 30, 2022	\$ 18,107,681
Benefit payments	(591,806)
Service cost	1,132,733
Interest	393,232
Change in assumptions	(1,262,992)
Experience	2,386,985
Changes in proportionate share	393,335
Total OPEB Liability, June 30, 2023	<u>\$ 20,559,168</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 (2.65%) or 1 percentage point higher (4.65%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Sensitivity of Total OPEB Liability	(2.65%)	(3.65%)	(4.65%)
Total OPEB Liability on 6/30/23	\$ 22,342,298	\$ 20,559,168	\$ 18,925,749

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 6/30/23	\$ 18,398,124	\$ 20,559,168	\$ 23,090,414

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

At June 30, 2023, the District reported a liability of \$20,559,168 for its proportionate share of the total OPEB liability. At June 30, 2023 and June 30, 2022, the District's proportionate share was 82.4077% and 80.6557% respectively.

For the year ended June 30, 2023, the District recognized OPEB expense of \$2,296,953. At June 30, 2023, 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	\$ 2,431,736	\$ 377,901
Changes of assumptions	6,622,252	1,162,754
Changes in proportionate share	362,117	299,526
	<u>\$ 9,416,105</u>	<u>\$ 1,840,181</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
Fiscal Year Ending	
2024	\$ 770,990
2025	770,990
2026	770,990
2027	770,990
2028	770,990
All subsequent years	3,720,974
Total	<u>\$ 7,575,924</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 812 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, 2022, PERS employers contributed 0.05% 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. As of June 30, 2022, the inactive RHIA plan participants currently receiving benefits totaled 41,718, and there were 38,259 active and 12,409 inactive members who meet the requirements to receive RHIA benefits when they retire.

Plan Audited Financial Report – RHIA is administered by the OPERB. The annual comprehensive 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.

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

At June 30, 2023, the District reported an asset of \$2,348,544 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2022, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2020. 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, 2023 and 2022, the District's proportion was 0.66093777% and 0.58674688%, respectively.

For the year ended June 30, 2023, the District recognized OPEB benefit of \$(501,912). At June 30, 2023, 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	\$ -	\$ 63,644
Changes in assumptions	18,389	78,284
Net difference between projected and actual earnings on pension plan investments	-	179,107
Changes in District's proportionate share	-	282,430
Total	18,389	603,465
District contributions subsequent to the measurement date	13,518	-
	\$ 31,907	\$ 603,465

Deferred outflows of resources related to OPEB of \$13,518 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, 2024.

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
Fiscal Year Ending	
2024	\$ (382,706)
2025	(146,707)
2026	(113,025)
2027	57,362
Total	\$ (585,076)

Actuarial Methods and Assumptions - the total OPEB asset in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

• Valuation Date	December 31, 2020
• Measurement Date	June 30, 2022
• Experience Study	2020, published July 20, 2021
• 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: 27.5%; Disabled retirees: 15%.
▪ Healthcare cost trend rate	Not applicable
▪ Mortality	Healthy retirees and beneficiaries:

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.

Active members:

Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Disabled retirees:

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 2020 Experience Study, which reviewed experience for the four-year period ended on December 31, 2020.

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2022 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	Discount Rate	1% Increase
Sensitivity of Total OPEB Liability	(5.90%)	(6.90%)	(7.90%)
District's proportionate share			
of net OPEB (asset) / liability	\$ (2,116,700)	\$ (2,348,544)	\$ (2,547,289)

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	25.0	-	35.0	30.0
Real Estate	7.5	-	17.5	12.5
Private Equity	15.0	-	27.5	20.0
Risk Parity	0.0	-	3.5	2.5
Real Assets ²	2.5	-	10.0	7.5
Diversifying Strategies ²	2.5	-	10.0	7.5
Opportunity Portfolio ¹	0.0	-	5.0	0.0
Total				100.0 %

¹ Opportunity Portfolio is an investment strategy and it may be invested up to 5% of total Fund assets.

² In October 2021 the Alternatives Portfolio was split into Real Assets and Diversifying Strategies

Long-Term Expected Rate of Return¹

Asset Class	Target Allocation	Annual Arithmetic Return ²	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 ³	1.77	1.76	1.20
Assumed Inflation - Mean			2.40 %	1.65 %

¹ 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.

² 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.

³ Negative allocation to cash represents levered exposure from the allocation to Risk Parity strategy.

G. Commitments and contingencies

As of June 30, 2023, the District is committed under various accepted bid agreements and contracts for approximately \$1.4 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	District's Proportion of the Net Pension (Asset)/Liability ⁽¹⁾	District's Proportionate Share of the Net Pension (Asset)/Liability ⁽¹⁾	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 ⁽¹⁾	%
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 ⁽²⁾	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	
2023	0.67174694	102,857,934	73,493,624	139.95	84.50	

⁽¹⁾ Actuarial information provided by the actuary for PERS.

⁽²⁾ 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	Contractually Required Contributions ⁽¹⁾	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency /(Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
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 ⁽²⁾	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
2023	18,093,498	18,093,498	-	78,259,749	23.12

⁽¹⁾ Actuarial information provided by the actuary for PERS.

⁽²⁾ 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⁽¹⁾⁽²⁾

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 ⁽³⁾	TPL as a Percentage of Covered Payroll
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
2023	185,747	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
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
2023	222,699	-	7,104	(44,056)	-	-	185,747

⁽¹⁾ 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.

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

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

Tualatin Valley Fire and Rescue

LOSAP Plan⁽¹⁾⁽²⁾

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 ⁽³⁾	TPL as a Percentage of Covered Payroll
2014			
2015	\$ 136,278	N/A	N/A
2016	180,853	N/A	N/A
2017 ⁽⁴⁾	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
2023	244,192	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
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 ⁽⁴⁾	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
2023	255,174	-	8,685	(19,667)	-	-	244,192

⁽¹⁾ 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.

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

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

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

Required Supplementary Information

Tualatin Valley Fire and Rescue

Schedule of the District's Total OPEB Liability ⁽¹⁾

Single-employer plan - TVFR Health Benefit Retiree Program ⁽²⁾

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
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%
2023	638,568	9,131,149	7.0%

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
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
2023	699,217	16,451	22,981	(100,081)	-	-	638,568

⁽¹⁾ 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.

⁽²⁾ 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 ⁽¹⁾
Multiple-employer cost-sharing plan - Health Benefit Retiree Program ⁽²⁾
 Last Ten Fiscal Years

Schedule of Total OPEB Liability (TOL)

Fiscal Year Ended June 30,	District's Proportion of the Total OPEB Liability ⁽³⁾	District's Proportionate Share of the Total OPEB Liability ⁽³⁾	District's Covered Employee Payroll	District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll
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
2023	82.4077	20,559,168	68,783,017	29.89

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 Benefit Terms	Changes of Assumptions	Change of Share	Experience (Gain) or Loss	TOL Ending Balance
2014									
2015									
2016									
2017									
2018	\$ 4,263,854	\$ 292,871	\$ 149,572	\$ (171,753)	\$ -	\$ -	\$ -	\$ -	\$ 4,534,544
2019	4,534,544	687,216	138,609	(408,547)	1,946,878	3,981,921	(370,007)	360,697	10,871,311
2020	10,871,311	711,268	372,921	(432,864)	-	-	-	-	11,522,636
2021	11,522,636	1,114,477	243,150	(358,869)	-	4,880,251	(86,282)	(249,983)	17,065,380
2022	17,065,380	1,153,489	363,485	(474,673)	-	-	-	-	18,107,681
2023	18,107,681	1,132,733	393,232	(591,806)	-	(1,262,992)	393,335	2,386,985	20,559,168

⁽¹⁾ 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.

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

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

Required Supplementary Information

Tualatin Valley Fire and Rescue

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

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 ⁽²⁾	District's Proportionate Share of the Net OPEB (Asset)/Liability ⁽²⁾	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 ⁽²⁾
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
2023	0.66093777	(2,348,544)	73,493,624	(3.20)	194.60

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

⁽²⁾ Actuarial information provided by the actuary for PERS.

Schedule of the District's OPEB Plan Contributions⁽¹⁾

Oregon Public Employee Retirement Plan (PERS - RHIA)

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Contractually Required Contributions ⁽²⁾	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency /(Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
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
2023	13,518	13,518	-	78,259,749	0.02

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

⁽²⁾ 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, 2020 actuarial valuation which was used in the pension calculations and amounts reported for the fiscal year ended June 30, 2023 are described below. Additional detail and a comprehensive list of changes in methods and assumptions since the December 31, 2019 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 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, 2023
• Actuarial method:	Entry age normal level percent of pay
• Inflation:	2.5%
• Discount rate:	3.65%
• Salary scale:	Annual increases 3.5% in all future years
• Medical insurance premium and early retirement premium annual trend:	5% annual increase in all future years
• Dental insurance premium annual trend:	Equal to the premiums paid
• Participation rates:	50% 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, 2020 actuarial valuation.

Changes of Economic Assumptions

Discount Rate – The discount rate used to measure the total OPEB liability at June 30, 2023 was 6.90%.

Changes in Demographic Assumptions

There were no changes to demographic assumptions with the December 31, 2020 actuarial valuation.



Other Supplementary Information





Tualatin Valley Fire and Rescue
Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Investment earnings	\$ 100,000	\$ 1,678,179	\$ 1,578,179
Miscellaneous	-	2,500	2,500
Total revenues	100,000	1,680,679	1,580,679
Expenditures			
Capital construction and land	50,583,600	4,125,240	46,458,360
Operating contingency	2,921,400	-	2,921,400
Total expenditures	53,505,000	4,125,240	49,379,760
Excess (deficiency) of revenues over (under) expenditures	<u>(53,405,000)</u>	<u>(2,444,561)</u>	<u>50,960,439</u>
Fund balance - June 30, 2022	53,405,000	57,637,929	4,232,929
Fund balance - June 30, 2023	\$ -	\$ 55,193,368	\$ 55,193,368

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, 2023

	<i>Special Revenue</i>		<i>Debt Service</i>	<i>Capital Projects</i>	<i>Total Nonmajor Governmental Funds</i>
	<i>MERRC Fund</i>	<i>Grants Fund</i>	<i>Debt Service Fund</i>	<i>Property and Building Fund</i>	
Assets					
Cash and cash equivalents	\$ 3,019,503	\$ 85,040	\$ 535,394	\$ 4,478,438	\$ 8,118,375
Receivables:					
Property taxes receivable	-	-	183,610	-	183,610
Accounts receivable	-	100	-	46,853	46,953
Total assets	<u>\$ 3,019,503</u>	<u>\$ 85,140</u>	<u>\$ 719,004</u>	<u>\$ 4,525,291</u>	<u>\$ 8,348,938</u>
Liabilities					
Accounts payable	\$ -	\$ 1,995	\$ -	\$ -	\$ 1,995
Total liabilities	<u>-</u>	<u>1,995</u>	<u>-</u>	<u>-</u>	<u>1,995</u>
Deferred Inflows of Resources					
Unavailable revenue - property taxes	-	-	159,769	-	159,769
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>159,769</u>	<u>-</u>	<u>159,769</u>
Fund Balances					
Restricted	-	-	559,235	-	559,235
Committed	3,019,503	83,145	-	-	3,102,648
Assigned	-	-	-	4,525,291	4,525,291
Total fund balances	<u>3,019,503</u>	<u>83,145</u>	<u>559,235</u>	<u>4,525,291</u>	<u>8,187,174</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,019,503</u>	<u>\$ 85,140</u>	<u>\$ 719,004</u>	<u>\$ 4,525,291</u>	<u>\$ 8,348,938</u>

Tualatin Valley Fire and Rescue

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2023

	Special Revenue		Debt Service	Capital Projects	Total Nonmajor Governmental Funds
	MERRC Fund	Grants Fund	Debt Service Fund	Property and Building Fund	
Revenues					
Property taxes	\$ -	\$ -	\$ 9,652,217	\$ -	\$ 9,652,217
Investment earnings	78,203	-	130,474	104,763	313,440
Charges for services	-	647	-	-	647
Program fees	313,369	-	-	-	313,369
Operating grants and contributions	-	6,034	-	-	6,034
Miscellaneous	-	-	-	117,200	117,200
Total revenues	391,572	6,681	9,782,691	221,963	10,402,907
Expenditures					
Current:					
Public safety:					
Personnel services	-	646	-	-	646
Materials and services	-	16,942	-	-	16,942
Capital outlay	-	-	-	31,736	31,736
Debt service:					
Principal	-	-	6,090,000	-	6,090,000
Interest	-	-	3,580,426	-	3,580,426
Total expenditures	-	17,588	9,670,426	31,736	9,719,750
Excess (deficiency) of revenues over (under) expenditures	391,572	(10,907)	112,265	190,227	683,157
Other Financing Sources (Uses)					
Transfers in	-	-	-	650,000	650,000
Transfers out	-	(15,215)	-	-	(15,215)
Total financing sources (uses)	-	(15,215)	-	650,000	634,785
Net change in fund balances	391,572	(26,122)	112,265	840,227	1,317,942
Fund balances - June 30, 2022	2,627,931	109,267	446,970	3,685,064	6,869,232
Fund balances - June 30, 2023	\$ 3,019,503	\$ 83,145	\$ 559,235	\$ 4,525,291	\$ 8,187,174

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, 2023

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Program fees	\$ 250,000	\$ 313,369	\$ 63,369
Investment earnings	15,000	78,203	63,203
Total revenues	<u>265,000</u>	<u>391,572</u>	<u>126,572</u>
Expenditures			
Communications	200,000	-	200,000
Operating contingency	500,000	-	500,000
Total expenditures	<u>700,000</u>	<u>700,000</u>	<u>700,000</u>
Excess (deficiency) of revenues over (under) expenditures	(435,000)	391,572	826,572
Fund balance - June 30, 2022	<u>2,556,005</u>	<u>2,627,931</u>	<u>71,926</u>
Fund balance - June 30, 2023	<u>\$ 2,121,005</u>	<u>\$ 3,019,503</u>	<u>\$ 898,498</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, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues				
Charges for services	\$ -	\$ -	\$ 647	\$ 647
Operating grants and contributions	125,404	125,404	6,034	(119,370)
Total revenues	<u>125,404</u>	<u>125,404</u>	<u>6,681</u>	<u>(118,723)</u>
Expenditures				
Grants	125,404	110,189	17,588	92,601
Total expenditures	<u>125,404</u>	<u>110,189</u>	<u>17,588</u>	<u>92,601</u>
Excess (deficiency) of revenues over (under) expenditures	-	15,215	(10,907)	(26,122)
Other Financing Sources (Uses)				
Transfers out	-	(15,215)	(15,215)	-
Total other financing sources (uses)	<u>-</u>	<u>(15,215)</u>	<u>(15,215)</u>	<u>-</u>
Net change in fund balance	-	-	(26,122)	(26,122)
Fund balance - June 30, 2022	168,000	168,000	109,267	(58,733)
Fund balance - June 30, 2023	<u>\$ 168,000</u>	<u>\$ 168,000</u>	<u>\$ 83,145</u>	<u>\$ (84,855)</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, 2023

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Property taxes	\$ 9,647,827	\$ 9,642,798	\$ (5,029)
Taxes in lieu	350	9,419	9,069
Investment earnings	22,250	130,474	108,224
Total revenues	9,670,427	9,782,691	112,264
Expenditures			
Debt service:			
Principal	6,090,000	6,090,000	-
Interest	3,580,427	3,580,426	1
Total expenditures	9,670,427	9,670,426	1
Excess (deficiency) of revenues over (under) expenditures	-	112,265	112,265
 Fund balance - June 30, 2022	 169,175	 446,970	 277,795
Fund balance - June 30, 2023	\$ 169,175	\$ 559,235	\$ 390,060

Tualatin Valley Fire and Rescue

Property and Building Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Investment earnings	\$ 10,000	\$ 104,763	\$ 94,763
Miscellaneous	- -	117,200	117,200
Total revenues	<u>10,000</u>	<u>221,963</u>	<u>211,963</u>
Expenditures			
Capital outlay	2,026,000	31,736	1,994,264
Operating contingency	<u>900,000</u>	-	900,000
Total expenditures	<u>2,926,000</u>	<u>31,736</u>	<u>2,894,264</u>
Excess (deficiency) of revenues over (under) expenditures	(2,916,000)	190,227	3,106,227
Other Financing Sources			
Transfers in	<u>150,000</u>	<u>650,000</u>	<u>500,000</u>
Net change in fund balance	(2,766,000)	840,227	3,606,227
Fund balance - June 30, 2022	<u>3,466,079</u>	<u>3,685,064</u>	<u>218,985</u>
Fund balance - June 30, 2023	<u>\$ 700,079</u>	<u>\$ 4,525,291</u>	<u>\$ 3,825,212</u>

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, 2023

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Investment earnings	\$ 3,000	\$ 15,684	\$ 12,684
Insurance refunds	-	74,639	74,639
Total revenues	<u>3,000</u>	<u>90,323</u>	87,323
Expenditures			
Insurance	<u>630,000</u>	<u>83,717</u>	546,283
Excess (deficiency) of revenues over (under) expenditures	(627,000)	6,606	633,606
Fund balance - June 30, 2022	627,000	618,399	(8,601)
Fund balance - June 30, 2023	<u>\$ -</u>	<u>\$ 625,005</u>	<u>\$ 625,005</u>

Tualatin Valley Fire and Rescue

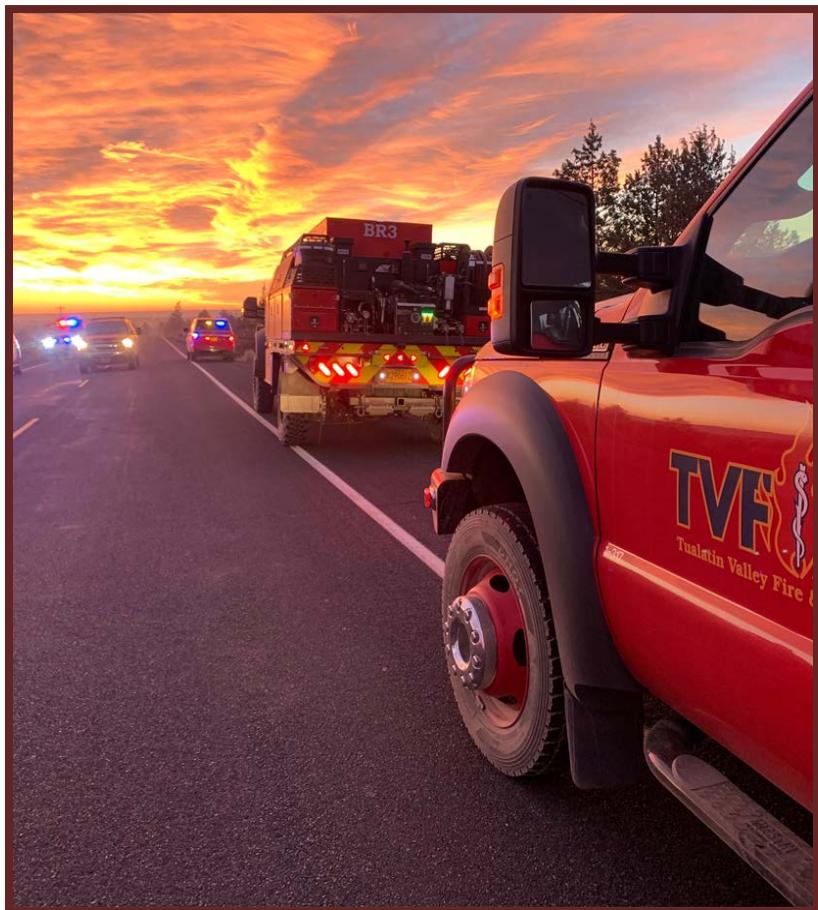
Custodial Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Donations	\$ 25,000	\$ 62,035	\$ 37,035
Expenditures			
Materials and services	200,000	51,448	148,552
Excess (deficiency) of revenues over (under) expenditures	(175,000)	10,587	185,587
Fund balance - June 30, 2022	175,000	162,357	(12,643)
Fund balance - June 30, 2023	<u><u>\$ -</u></u>	<u><u>\$ 172,944</u></u>	<u><u>\$ 172,944</u></u>

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, 2023

	General Fund	Apparatus and Vehicle Fund	Capital Improvements Fund	Pension Fund	Volunteer LOSAP Fund	Total General Fund
Assets						
Cash and cash equivalents	\$ 56,314,316	\$ 4,199,090	\$ 5,817,498	\$ -	\$ 4,242	\$ 66,335,146
Investments	13,483,626	-	-	-	406,430	13,890,056
Receivables:						
Property taxes receivable	2,516,453	-	-	-	-	2,516,453
Accounts receivable (net of allowances)	1,062,535	-	-	-	-	1,062,535
Supplies inventory	842,550	-	-	-	-	842,550
Total assets	\$ 74,219,480	\$ 4,199,090	\$ 5,817,498	\$ -	\$ 410,672	\$ 84,646,740
Liabilities						
Accounts payable	\$ 4,234,453	\$ 8,017	\$ 146,907	\$ -	\$ -	\$ 4,389,377
Accrued salaries and benefits payable	10,239,693	-	-	-	-	10,239,693
Total liabilities	\$ 14,474,146	\$ 8,017.00	\$ 146,907	\$ -	\$ -	\$ 14,629,070
Deferred Inflows of Resources						
Unavailable revenue - property taxes	2,154,739	-	-	-	-	2,154,739
Unavailable revenue - transport	298,419	-	-	-	-	298,419
Unavailable revenue - FEMA claim	88,199	-	-	-	-	88,199
Unavailable revenue - other	181,681	-	-	-	-	181,681
Total deferred inflows of resources	2,723,038	-	-	-	-	2,723,038
Fund Balances						
Nonspendable	842,550	-	-	-	-	842,550
Committed	-	4,191,073	5,670,591	-	410,672	10,272,336
Assigned	3,000,000	-	-	-	-	3,000,000
Unassigned	53,179,746	-	-	-	-	53,179,746
Total fund balances	57,022,296	4,191,073	5,670,591	\$ -	\$ 410,672	\$ 67,294,632
Total liabilities, deferred inflows of resources, and fund balances	\$ 74,219,480	\$ 4,199,090	\$ 5,817,498	\$ -	\$ 410,672	\$ 84,646,740

Tualatin Valley Fire and Rescue
 Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
General Fund
 For the Year Ended June 30, 2023

	General Fund	Apparatus and Vehicle Fund	Capital Improvements Fund	Pension Fund	Volunteer LOSAP Fund	Eliminations	Total General Fund
Revenues							
Program revenues:							
Charges for services	\$ 5,776,550	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,776,550
Grants and contributions	146,856	-	-	-	-	-	146,856
General revenues:							
Property taxes	138,053,293	-	-	-	-	-	138,053,293
Investment earnings	2,914,729	97,286	128,392	-	41,765	-	3,182,172
Insurance dividends and refunds	854,736	-	-	-	-	-	854,736
Miscellaneous	524,553	-	-	-	-	-	524,553
Total revenues	148,270,717	97,286	128,392	-	41,765	-	148,538,160
Expenditures							
Current:							
Public safety:							
Personnel services	127,986,952	-	-	43,008	20,130	-	128,050,090
Materials and services	13,963,449	33,081	192,437	-	-	-	14,188,967
Debt service:							
Principal	365,147	-	-	-	-	-	365,147
Interest	31,063	-	-	-	-	-	31,063
Capital outlay	-	329,588	758,299	-	-	-	1,087,887
Total expenditures	142,346,611	362,669	950,736	43,008	20,130	-	143,723,154
Excess (deficiency) of revenues over (under) expenditures	5,924,106	(265,383)	(822,344)	(43,008)	21,635	-	4,815,006
Other Financing Sources (Uses)							
Transfers in	15,215	1,000,000	2,000,000	43,008	-	(3,043,008)	15,215
Transfers out	(3,693,008)	-	-	-	-	3,043,008	(650,000)
Proceeds on sale of surplus property	5,168	-	3,000	-	-	-	8,168
Total Other Financing Sources (Uses)	(3,672,625)	1,000,000	2,003,000	43,008	-	-	(626,617)
Net change in fund balances	2,251,481	734,617	1,180,656	-	21,635	-	4,188,389
Fund balances - June 30, 2022	54,770,815	3,456,456	4,489,935	-	389,037	-	63,106,243
Fund balances - June 30, 2023	<u>\$ 57,022,296</u>	<u>\$ 4,191,073</u>	<u>\$ 5,670,591</u>	<u>\$ -</u>	<u>\$ 410,672</u>	<u>\$ -</u>	<u>\$ 67,294,632</u>

Tualatin Valley Fire and Rescue

Apparatus and Vehicle Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Investment earnings	\$ 25,000	\$ 97,286	\$ 72,286
Expenditures			
Apparatus and vehicles	1,204,765	362,669	842,096
Operating contingency	498,500	-	498,500
Total expenditures	1,703,265	362,669	1,340,596
Excess (deficiency) of revenues over (under) expenditures	(1,678,265)	(265,383)	1,412,882
Other Financing Sources			
Transfers in	500,000	1,000,000	500,000
Total other financing sources	500,000	1,000,000	500,000
Net change in fund balance	(1,178,265)	734,617	1,912,882
Fund balance - June 30, 2022	2,589,194	3,456,456	867,262
Fund balance - June 30, 2023	\$ 1,410,929	\$ 4,191,073	\$ 2,780,144

Tualatin Valley Fire and Rescue

Capital Improvements Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Investment earnings	\$ 33,025	\$ 128,392	\$ 95,367
Total revenues	<u>33,025</u>	<u>128,392</u>	<u>95,367</u>
Expenditures			
Capital improvements	2,070,150	950,736	1,119,414
Operating contingency	1,000,000	-	1,000,000
Total expenditures	<u>3,070,150</u>	<u>950,736</u>	<u>2,119,414</u>
Excess (deficiency) of revenues over (under) expenditures	(3,037,125)	(822,344)	2,214,781
Other Financing Sources			
Transfers in	1,500,000	2,000,000	500,000
Proceeds on sale of surplus property	-	3,000	3,000
Total other financing sources	<u>1,500,000</u>	<u>2,003,000</u>	<u>503,000</u>
Net change in fund balance	(1,537,125)	1,180,656	2,717,781
Fund balance - June 30, 2022	<u>3,125,562</u>	<u>4,489,935</u>	<u>1,364,373</u>
Fund balance - June 30, 2023	<u><u>\$ 1,588,437</u></u>	<u><u>\$ 5,670,591</u></u>	<u><u>\$ 4,082,154</u></u>

Tualatin Valley Fire and Rescue
Pension Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Expenditures			
Personnel services	\$ 84,000	\$ 43,008	\$ 40,992
Excess (deficiency) of revenues over (under) expenditures	(84,000)	(43,008)	40,992
Other Financing Sources			
Transfers in	84,000	43,008	(40,992)
Total other financing sources	<u>84,000</u>	<u>43,008</u>	<u>(40,992)</u>
Net change in fund balance	-	-	-
Fund balance - June 30, 2022	-	-	-
Fund balance - June 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2023

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Investment earnings	\$ 24,000	\$ 41,765	\$ 17,765
Expenditures			
Personnel services	<u>529,000</u>	<u>20,130</u>	<u>508,870</u>
Excess (deficiency) of revenues over (under) expenditures	(505,000)	21,635	526,635
Fund balance - June 30, 2022	<u>505,000</u>	<u>389,037</u>	<u>(115,963)</u>
Fund balance - June 30, 2023	<u>\$ -</u>	<u>\$ 410,672</u>	<u>\$ 410,672</u>

Tualatin Valley Fire and Rescue
Schedule of Property Tax Transactions and Outstanding Balances
for the fiscal year ended June 30, 2023

	Taxes Uncollected June 30, 2022	Add Levy as Extended by Assessor	Add (Deduct) Discounts Allowed	Add Interest Received	(Deduct) Cancellations and Adjustments	(Deduct) Collections	Taxes Uncollected June 30, 2023
2022-23	\$ 151,970,177		\$ (4,118,483)	\$ 15,069	\$ (663,773)	\$ (145,579,596)	\$ 1,623,394
2021-22	1,636,896	-	(2,268)	30,927	(61,539)	(1,077,321)	526,695
2020-21	555,383	-	(599)	18,824	282	(288,446)	285,444
2019-20	284,215	-	(709)	17,598	25,543	(207,486)	119,161
2018-19	100,519	-	132	8,315	57,097	(122,825)	43,238
2017-18	32,091	-	12	1,443	(1,090)	(9,116)	23,340
2017 and prior	100,040	-	-	2,077	(10,082)	(13,244)	78,791
Total prior	2,709,144	-	(3,432)	79,184	10,211	(1,718,438)	1,076,669
Total	<u>\$ 2,709,144</u>	<u>\$ 151,970,177</u>	<u>\$ (4,121,915)</u>	<u>\$ 94,253</u>	<u>\$ (653,562)</u>	<u>\$ (147,298,034)</u>	<u>\$ 2,700,063</u>
Reconciliation to tax revenues on basic financial statements:							
Property tax collections above				\$ 137,654,551	\$ 9,643,483	\$ 147,298,034	
Property taxes susceptible to accrual at June 30, 2023				361,713	23,841	385,554	
Property taxes susceptible to accrual at June 30, 2022				(347,933)	(24,526)	(372,459)	
Taxes in lieu of property taxes				135,183	9,419	144,602	
Forest revenues				249,779	-	249,779	
Tax revenues				<u>\$ 138,053,293</u>	<u>\$ 9,652,217</u>	<u>\$ 147,705,510</u>	
DISTRIBUTED AS FOLLOWS:							
General Fund	\$ 136,314,586	\$ 1,353,745	\$ 135,183	\$ 249,779	\$ 138,053,293	\$ 2,516,453	
Debt Service Fund	9,551,354	91,444	9,419	-	9,652,217	183,610	
Total	<u>\$ 145,865,940</u>	<u>\$ 1,445,189</u>	<u>\$ 144,602</u>	<u>\$ 249,779</u>	<u>\$ 147,705,510</u>	<u>\$ 2,700,063</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
Financial Trends: These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	125
Revenue Capacity: These schedules contain information to help the reader assess the District's most significant local revenue source, property tax.	129
Debt Capacity: 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.	134
Demographic and Economic Information: These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	138
Operating Information: 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.	140

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



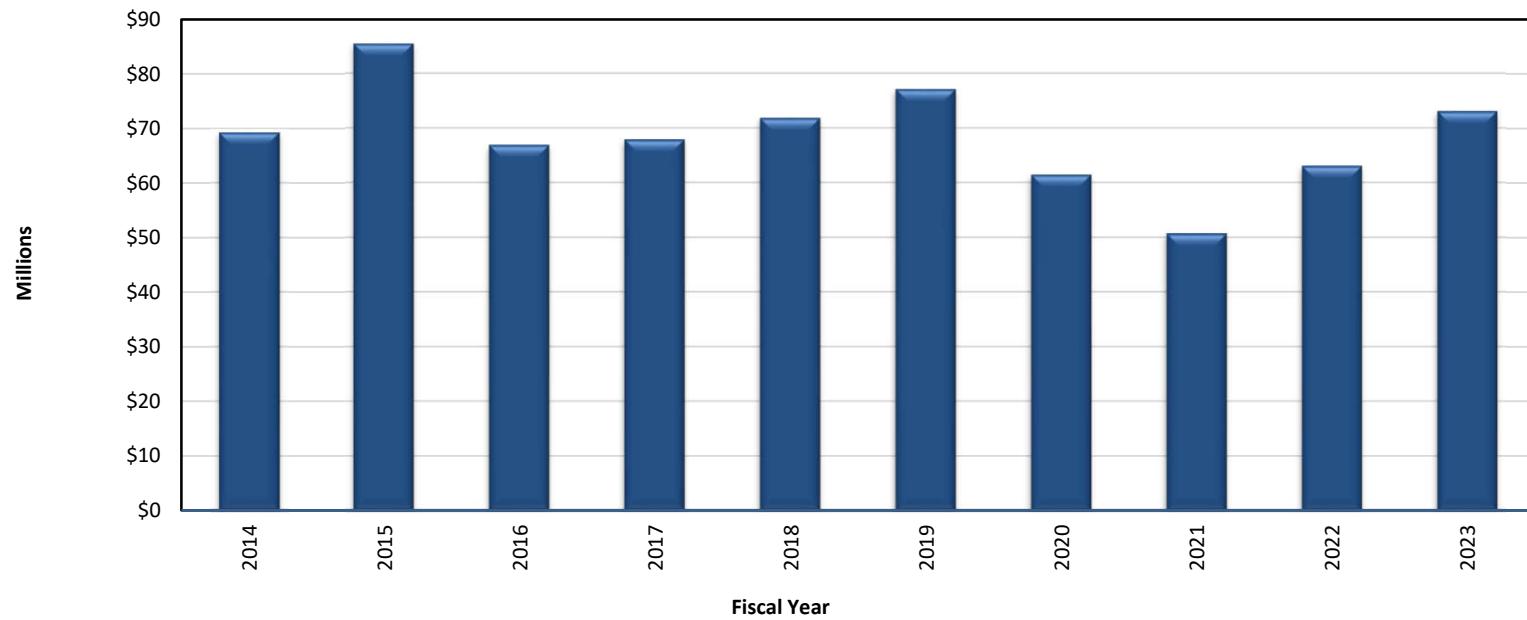
Tualatin Valley Fire and Rescue

Net Position by Component

Last Ten Fiscal Years
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities:										
Net investment in										
capital assets	\$ 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	\$ 102,335,367
Restricted	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	2,907,779
Unrestricted	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)	(32,218,556)
Total net position	\$ 69,225,975	\$ 85,412,669	\$ 66,861,182	\$ 67,846,571	\$ 71,788,507	\$ 77,105,286	\$ 61,422,346	\$ 50,689,916	\$ 63,061,796	\$ 73,024,590

Total Net Position



Tualatin Valley Fire and Rescue

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Program Revenues										
Governmental activities:										
Charges for services ^{(1), (2)}	\$ 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	\$ 5,974,057
Operating grants and contributions	168,769	699,265	384,686	710,090	1,473,000	957,222	4,414,344	2,893,180	402,535	152,890
Capital grants and contributions	-	-	-	2,823,077	108,161	-	774,417	-	1,368,041	-
Total primary government program revenues	<u>2,108,434</u>	<u>2,882,774</u>	<u>3,208,094</u>	<u>15,708,392</u>	<u>12,331,878</u>	<u>6,482,320</u>	<u>10,127,623</u>	<u>11,631,408</u>	<u>7,643,318</u>	<u>6,126,947</u>
General Revenues										
Property taxes ⁽³⁾	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	147,683,334
Investment earnings	276,632	276,125	349,882	620,167	972,980	1,577,729	1,360,504	653,058	480,145	5,220,425
Insurance dividends and refunds	882,340	551,766	443,628	424,645	535,576	566,185	561,902	1,187,165	882,517	929,375
Special item	-	-	-	-	-	7,873,937	-	-	-	-
Miscellaneous	91,807	353,105	114,426	176,892	310,252	505,740	311,177	475,076	320,704	649,421
Total primary government general revenue	<u>83,928,360</u>	<u>86,763,413</u>	<u>101,173,700</u>	<u>104,989,195</u>	<u>113,270,409</u>	<u>132,907,713</u>	<u>130,113,507</u>	<u>139,361,595</u>	<u>143,719,380</u>	<u>154,482,555</u>
Expenses										
Governmental activities:										
Public safety - fire protection	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	148,700,570
Interest on long-term debt	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	1,947,961
Total primary government expenses	<u>83,179,260</u>	<u>71,714,444</u>	<u>123,437,035</u>	<u>118,046,671</u>	<u>122,606,766</u>	<u>135,780,787</u>	<u>155,924,070</u>	<u>161,805,487</u>	<u>139,488,793</u>	<u>150,648,531</u>
Total primary government net revenue/expense	<u>2,857,534</u>	<u>17,931,743</u>	<u>(19,055,241)</u>	<u>2,650,916</u>	<u>2,995,521</u>	<u>3,609,246</u>	<u>(15,682,940)</u>	<u>(10,812,484)</u>	<u>11,873,905</u>	<u>9,960,971</u>
Other Changes in Net Position										
Gain on sale/impairment of capital assets	583,350	94,503	503,754	996,434	87,801	-	-	80,054	497,975	1,823
Change in Net Position										
Total primary government	<u>\$ 3,440,884</u>	<u>\$ 18,026,246</u>	<u>\$ (18,551,487)</u>	<u>\$ 3,647,350</u>	<u>\$ 3,083,322</u>	<u>\$ 3,609,246</u>	<u>\$ (15,682,940)</u>	<u>\$ (10,732,430)</u>	<u>\$ 12,371,880</u>	<u>\$ 9,962,794</u>

⁽¹⁾ 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.

⁽²⁾ 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

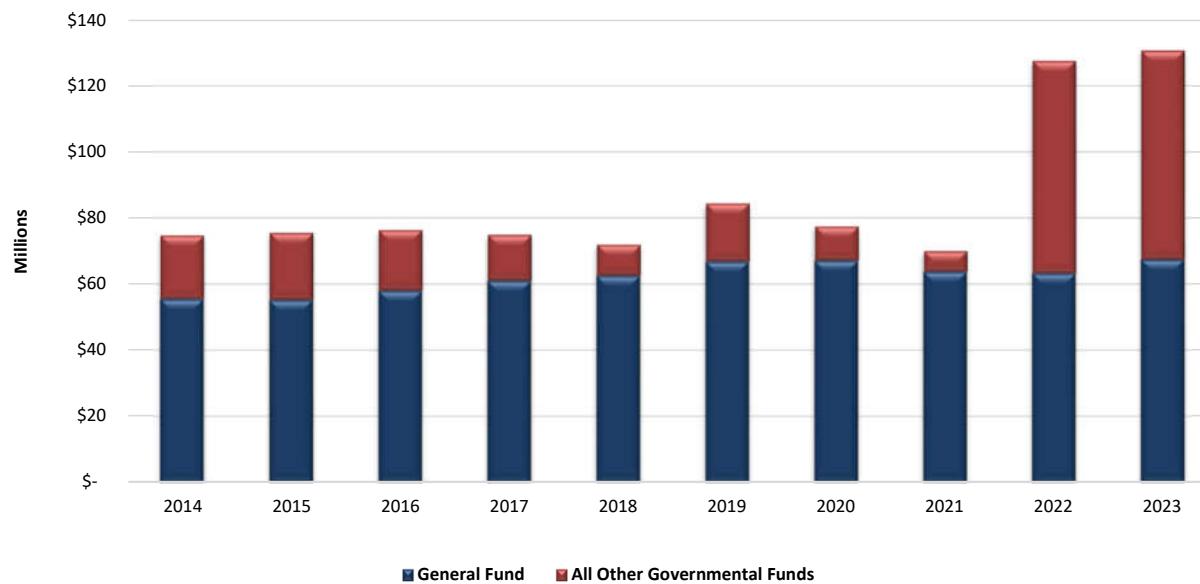
Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Non-spendable	\$ 305,764	\$ 341,601	\$ 318,368	\$ 375,861	\$ 434,579	\$ 410,673	\$ 436,012	\$ 505,026	\$ 637,881	\$ 842,550
Committed	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	10,272,336
Assigned	-	-	-	-	-	-	4,772,760	3,000,000	3,000,000	3,000,000
Unassigned	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	53,179,746
Total general fund	\$ 55,365,905	\$ 55,050,826	\$ 57,930,662	\$ 60,879,034	\$ 62,482,069	\$ 66,754,265	\$ 66,969,556	\$ 63,640,184	\$ 63,106,243	\$ 67,294,632
All Other Governmental Funds										
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	9,682,369	10,115,844	5,892,247	1,274,655	374,852	608,415	425,594	445,184	58,084,899	55,752,603
Committed	-	-	-	-	1,194,953	1,480,203	1,991,230	2,182,523	2,737,198	3,102,648
Assigned	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	4,525,291
Unassigned	-	-	-	(30,773)	-	-	-	-	-	-
Total all other governmental funds	\$ 19,351,493	\$ 20,400,051	\$ 18,374,708	\$ 14,019,105	\$ 9,348,955	\$ 17,590,861	\$ 10,420,868	\$ 6,238,881	\$ 64,507,161	\$ 63,380,542

Fund Balances, Governmental Funds



■ General Fund ■ All Other Governmental Funds

Tualatin Valley Fire and Rescue
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

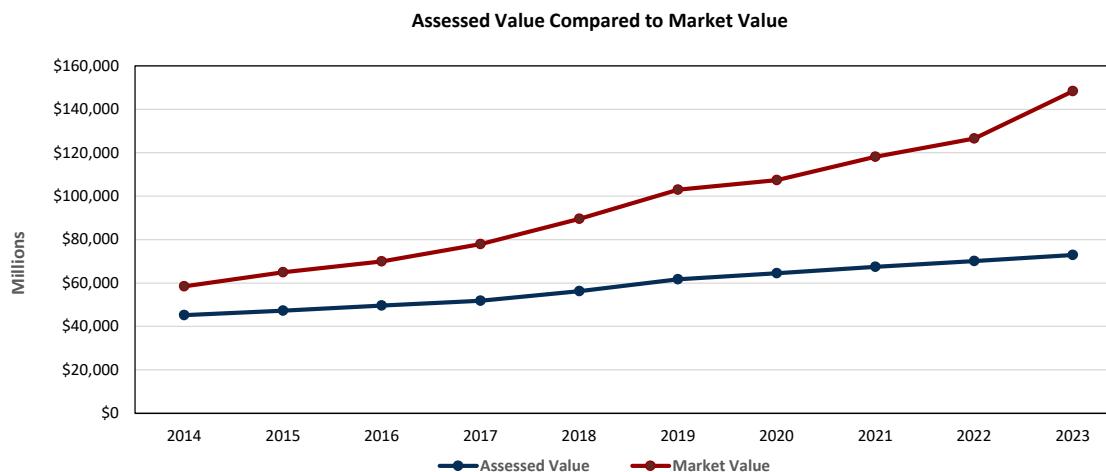
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Property taxes	\$ 82,532,795	\$ 85,708,409	\$ 99,609,614	\$ 103,447,697	\$ 111,212,130	\$ 125,244,153	\$ 127,780,938	\$ 137,405,995	\$ 141,935,205	\$ 147,705,510
Investment earnings	273,181	272,757	346,112	613,384	961,803	1,562,138	1,345,739	647,849	476,420	5,173,791
Charges for services and fees	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	6,090,566
Insurance dividends and refunds	881,244	520,569	380,216	381,105	497,665	502,168	556,497	1,101,587	839,294	854,736
Grants and contributions	167,099	699,265	365,956	1,582,731	1,581,161	957,222	4,414,344	1,987,129	1,220,387	152,890
Miscellaneous	75,499	335,836	101,911	167,090	274,389	275,993	282,299	409,267	307,741	644,253
Total revenues	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	160,621,746
Expenditures										
Current:										
Public safety	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	142,269,810
Capital outlay	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	5,231,698
Debt service:										
Principal	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	6,455,147
Interest	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	3,611,489
Total expenditures	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	157,568,144
Excess (deficiency) of revenues over (under) expenditures	(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)	3,053,602
Other Financing Sources (Uses)										
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	627,966	156,522	623,556	1,031,900	576,648	229,747	225,490	145,824	26,527	8,168
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	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	665,215
Transfers out	(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)	(665,215)
Total other financing sources (uses) and special item	627,966	5,792,270	623,556	1,031,900	749,115	8,765,347	396,713	145,824	60,188,557	8,168
Net change in fund balances	\$ (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	\$ 3,061,770
Debt service as a percentage of noncapital expenditures	7.08%	6.29%	6.74%	5.81%	5.56%	5.24%	4.70%	6.32%	6.57%	6.61%

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	Assessed Value	Market Value	Assessed Value	Market Value	Assessed Value	Market Value	Assessed Value	Market Value	49.16 %	\$	
2023	\$ 68,754,219,020	\$ 143,639,592,989	\$ 1,979,475,942	\$ 2,154,331,412	\$ 121,098,708	\$ 308,072,970	\$ 2,056,157,800	\$ 2,203,645,944	\$ 72,910,951,470	\$ 148,305,643,315										49.16 %	\$ 2.11
2022	66,023,472,207	122,116,430,708	2,035,748,653	2,192,750,587	116,422,937	267,830,560	1,882,783,200	2,006,461,561	70,058,426,997	126,583,473,416										55.35	2.12
2021	63,646,526,273	113,830,371,600	1,933,752,124	2,116,673,829	108,297,568	247,361,207	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	1,889,728,838	1,977,963,036	103,436,361	237,060,284	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	1,749,934,527	1,831,309,484	97,670,260	206,827,138	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

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.



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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Range of property tax rates for direct and overlapping governments per \$1,000 of assessed value	\$ 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	\$ 12.36 to \$ 22.51
Tualatin Valley Fire and Rescue	\$ 1.91	\$ 1.89	\$ 2.11	\$ 2.10	\$ 2.08	\$ 2.08	\$ 2.07	\$ 2.12	\$ 2.12	\$ 2.11
Permanent Rate	1.5252	1.5252	1.5252	1.5252	1.5252	1.5252	1.5252	1.5252	1.5252	1.5252
Local Option Levy	0.2500	0.2500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500
Bonded Debt	0.1320	0.1170	0.1326	0.1218	0.1047	0.1087	0.0973	0.1415	0.1411	0.1375
Other Overlapping Governments										
Washington County	2.97	2.84	2.84	2.96	2.95	2.95	2.95	2.96	3.01	3.00
Clackamas County	2.96	2.95	2.95	2.95	2.96	2.95	2.94	2.94	2.94	2.94
Yamhill County	-	-	-	-	-	2.58	2.58	2.58	2.58	2.58
City of Beaverton	4.37	4.38	4.33	4.31	4.35	4.32	4.30	4.80	4.28	4.42
City of Durham	1.85	1.83	1.69	1.64	1.66	1.12	0.49	0.49	0.49	0.49
City of King City	2.08	2.08	2.08	2.08	2.08	2.08	2.08	2.16	2.16	2.16
City of Newberg	-	-	-	-	-	2.50	2.58	2.65	2.73	2.81
City of North Plains	-	-	-	-	-	1.82	1.82	2.17	1.82	2.17
City of Sherwood	3.43	3.46	3.62	3.42	3.47	3.46	3.12	3.44	3.00	3.30
City of Tigard	2.93	2.92	2.92	2.88	2.87	2.85	2.82	3.13	3.10	3.14
City of Tualatin	2.55	2.53	2.52	2.51	2.50	2.89	2.87	2.86	2.86	2.85
City of West Linn	2.56	2.55	2.54	2.54	2.54	2.12	2.12	2.12	2.54	2.53
City of Wilsonville	2.14	2.13	2.10	1.97	2.52	2.52	2.05	2.07	2.09	2.52
Tualatin Hills Parks & Recreation District	1.74	1.72	1.62	1.62	1.61	1.62	1.61	1.60	1.60	1.58
Enhanced Sheriff's Patrol District	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32
Portland Community College	0.73	0.72	0.59	0.68	0.61	0.69	0.69	0.68	0.66	0.67
Clackamas Community College	0.71	0.70	0.74	0.74	0.74	0.55	0.55	0.55	0.72	0.80
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	6.84
Beaverton School District	8.05	8.04	7.96	7.92	8.05	8.02	7.91	8.03	8.03	8.19
Canby School District	6.90	6.87	6.82	6.81	6.78	4.58	4.58	6.70	6.52	6.48
Hillsboro School District	7.40	7.42	7.22	7.20	7.15	7.14	7.18	7.25	7.11	6.97
Lake Oswego School District	6.84	6.81	6.79	6.81	7.95	7.93	8.14	8.14	8.11	8.97
Newberg School District	7.42	7.51	7.92	7.88	7.80	6.05	5.47	5.13	6.20	6.15
Portland School District	8.36	8.35	8.36	8.33	9.69	9.76	9.67	9.67	9.60	9.57
Sherwood School District	8.82	8.82	8.53	8.68	9.14	8.95	8.79	8.64	8.53	8.25
Tigard-Tualatin School District	7.41	7.46	7.46	7.45	7.77	7.75	7.70	7.79	7.78	7.74
West Linn / Wilsonville School District	9.32	9.25	9.24	9.23	9.07	9.19	9.33	9.70	9.05	9.30

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 ⁽¹⁾

Current Year and Nine Years Ago

All Washington County Property

	2023				2014			
	Rank ⁽²⁾	Taxable Assessed Value	Percentage of Total Taxable Assessed Valuation	Rank ⁽²⁾	Taxable Assessed Value	Percentage of Total Taxable Assessed Valuation		
Private enterprises:								
Nike, Inc.	1	\$ 1,424,885,954	1.95 %	1	\$ 549,194,252	1.21 %		
Pacific Realty Associates	4	315,933,057	0.43	3	218,223,019	0.48		
LAM Research Corporation	5	229,840,403	0.32					
Comcast Corporation	6	212,750,000	0.29	5	204,789,300	0.45		
Northwest Fiber LLC	7	166,837,300	0.23					
BV Centeral LLC	8	165,000,201	0.23	8	126,700,328	0.28		
Maxim Integrated Products	9	163,182,940	0.22	9	110,287,413	0.24		
PPR Washington Square LLC	10	155,486,561	0.21	7	134,845,690	0.30		
Frontier Communications				6	183,639,000	0.41		
PS Business Parks				10	103,984,552	0.23		
Public utilities:								
Portland General Electric	2	691,787,640	0.95	2	242,811,500	0.54		
Northwest Natural Gas Co	3	359,853,450	0.49	4	205,027,000	0.45		
All other taxpayers		69,025,393,964	94.68		43,161,712,932	95.40		
Total Assessed Value ⁽³⁾		\$ 72,910,951,470	100.00 %		\$ 45,241,214,986	100.00 %		

Source: Washington County Department of Assessment and Taxation

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

⁽²⁾ Rank based on M50 assessed value.

⁽³⁾ 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⁽¹⁾

Current Year and Nine Years Ago

All Washington County Property

	2023					2014				
	Rank ⁽²⁾		Taxable Assessed Value		Percentage of Total Taxable Assessed Valuation	Rank ⁽²⁾		Taxable Assessed Value		Percentage of Total Taxable Assessed Valuation
Private enterprises:										
Intel Corporation	1	\$	1,895,002,799		2.60 %	1	\$	1,269,464,924		2.81 %
Nike, Inc.	2		1,464,501,430		2.01	2		566,111,038		1.25
Pacific Realty Associates	5		440,231,557		0.60	4		308,313,428		0.68
Verizon Communications Inc.	6		360,262,000		0.49					
Genentech Inc	7		328,238,530		0.45					
Comcast Corporation	8		274,530,000		0.38	6		267,863,300		0.59
LAM Research Corporation	9		230,442,558		0.32					
Northwest Fiber LLC	10		223,356,900		0.31					
Frontier Communications						7		249,585,000		0.55
Fred Meyer Stores Inc.						8		149,478,380		0.33
Maxim Integrated Products						9		142,394,136		0.31
PPR Washington Square LLC						10		134,845,690		0.30
Public utilities:										
Portland General Electric	3		1,124,597,930		1.54	3		412,348,330		0.91
Northwest Natural Gas Co	4		468,313,450		0.64	5		299,588,240		0.66
All other taxpayers			66,101,474,316		90.67			41,441,222,520		91.60
Total Assessed Value ⁽³⁾		\$	72,910,951,470		100.00 %			\$ 45,241,214,986		100.00 %

Source: Washington County Department of Assessment and Taxation

⁽¹⁾ Principal taxpayers for all of Washington County.

⁽²⁾ Rank based on M50 assessed value.

⁽³⁾ 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

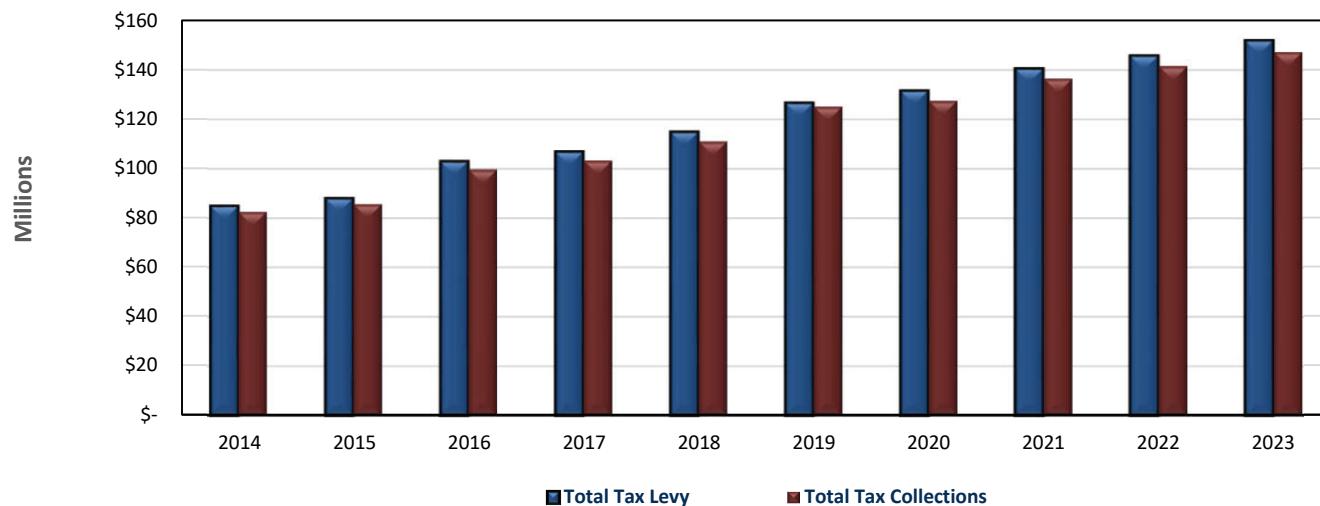
Property Tax Levies and Collections

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
2023	\$ 151,970,177	\$ 145,579,596	95.79%	\$ 1,718,438	\$ 147,298,034	96.93 %
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

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 ⁽¹⁾	Lease and Subscription Obligations ⁽¹⁾	Total Outstanding Debt	Debt per Capita ⁽²⁾	Percentage of Personal Income ⁽²⁾
2023	\$ 70,687,047	\$ 2,510,485	\$ 73,197,532	133.78	0.19 %
2022	78,120,688	2,485,974	80,606,662	148.58	0.21
2021	28,095,326	-	28,095,326	52.44	0.07
2020	36,693,119	-	36,693,119	68.39	0.10
2019	41,626,028	-	41,626,028	78.47	0.13
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

Sources:

(1) District financial statements, current and prior years

(2) 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 ⁽¹⁾	Gross Bonded Debt ⁽²⁾	Debt Service Monies Available ⁽²⁾	Net General Bonded Debt ⁽²⁾	Ratio of Net General Bonded Debt to Assessed Value	General Bonded Debt Per Capita ⁽³⁾	Net General Bonded Debt Per Capita ⁽³⁾	Percentage of Personal Income ⁽³⁾
2023	\$ 72,910,951,470	\$ 70,687,047	\$ 559,235	\$ 70,127,812	0.10 %	\$ 129.19	\$ 128.17	0.18 %
2022	70,058,426,997	78,120,688	446,970	77,673,718	0.11	143.99	143.17	0.20
2021	67,478,228,365	28,095,326	445,184	27,650,142	0.04	52.44	51.61	0.07
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	0.24

Sources:

- (1) Washington, Clackamas, Yamhill, and Multnomah County Assessment and Taxation Departments
- (2) District financial statements, current and prior years
- (3) 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, 2023

Jurisdiction	Net Direct Debt Outstanding ⁽¹⁾	Percentage Applicable to District	Amount Applicable to District
Chehalem Park & Recreation District	\$ 20,750,000	85.62 %	\$ 17,765,320
Chemeketa Community College	83,385,000	0.00	2,001
City of Beaverton	30,045,000	100.00	30,044,099
City of Cornelius	1,967,596	0.74	14,503
City of Hillsboro	74,915,000	0.05	37,233
City of Newberg	6,130,557	100.00	6,130,557
City of Sherwood	66,211,920	99.99	66,202,253
City of Tigard	17,159,468	99.99	17,158,456
City of Tualatin	33,378,254	99.99	33,373,614
City of West Linn	27,035,000	100.00	27,035,000
City of Wilsonville	19,695,400	100.00	19,695,400
Clackamas Community College	127,080,045	22.79	28,967,007
Clackamas County	105,100,000	17.54	18,430,126
Clackamas County ESD	19,855,267	17.46	3,465,757
Clackamas County SD 3J (West Linn/Wilsonville)	488,595,822	100.00	488,594,845
Clackamas County SD 7J (Lake Oswego)	382,387,657	5.68	21,702,029
Clackamas County SD 86 (Canby)	101,418,963	11.42	11,578,800
Clackamas Soil & Water Conservation	5,416,000	17.54	949,739
Columbia County SD 1J (Scappoose)	17,185,000	0.19	33,305
Metro Service District	822,713,920	27.48	226,097,417
Multnomah County	583,000,736	0.86	4,998,648
Multnomah County SD 1J (Portland)	2,008,774,288	1.41	28,249,393
Multnomah ESD	60,233,416	1.05	634,258
Northwest Regional ESD	13,670,000	59.74	8,166,444
Portland Community College	669,475,000	33.04	221,217,302
Rivergrove Water District 14J	655,635	18.84	123,541
Tualatin Hills Park & Recreation District	47,825,680	99.95	47,799,759
Valley View Water District	918,441	100.00	918,441
Washington County	164,628,758	74.20	122,154,209
Washington County SD 13 (Banks)	5,955,778	0.14	8,427
Washington County SD 1J (Hillsboro)	497,841,362	25.45	126,687,683
Washington County SD 23J (Tigard-Tualatin)	298,969,280	99.90	298,655,960
Washington County SD 48J (Beaverton)	1,155,458,918	95.24	1,100,418,633
Washington County SD 88J (Sherwood)	292,793,434	99.97	292,709,403
Willamette ESD	5,724,823	7.92	453,137
Yamhill County	7,870,442	32.56	2,562,805
Yamhill County SD 1 (Yamhill-Carlton)	19,940,099	0.12	24,147
Yamhill County SD 29J (Newberg)	160,428,388	86.27	<u>138,400,768</u>
Subtotal overlapping debt			3,411,460,419
District direct debt			<u>73,197,532</u>
Total direct and overlapping debt			<u><u>\$ 3,484,657,951</u></u>

Note: ⁽¹⁾ 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, 2023

Real market value of District property	\$ 148,305,643,315
Debt limit under ORS 478.410(2) - (1.25% of the real market value)	1,853,820,541
Amount of debt applicable to debt limit:	\$ 70,687,047
Gross bonded debt outstanding	(559,235)
Assets in Debt Service Fund available for debt service	70,127,812
Total amount of debt applicable to debt limit	<u>70,127,812</u>
Legal debt margin	<u>\$ 1,783,692,729</u>

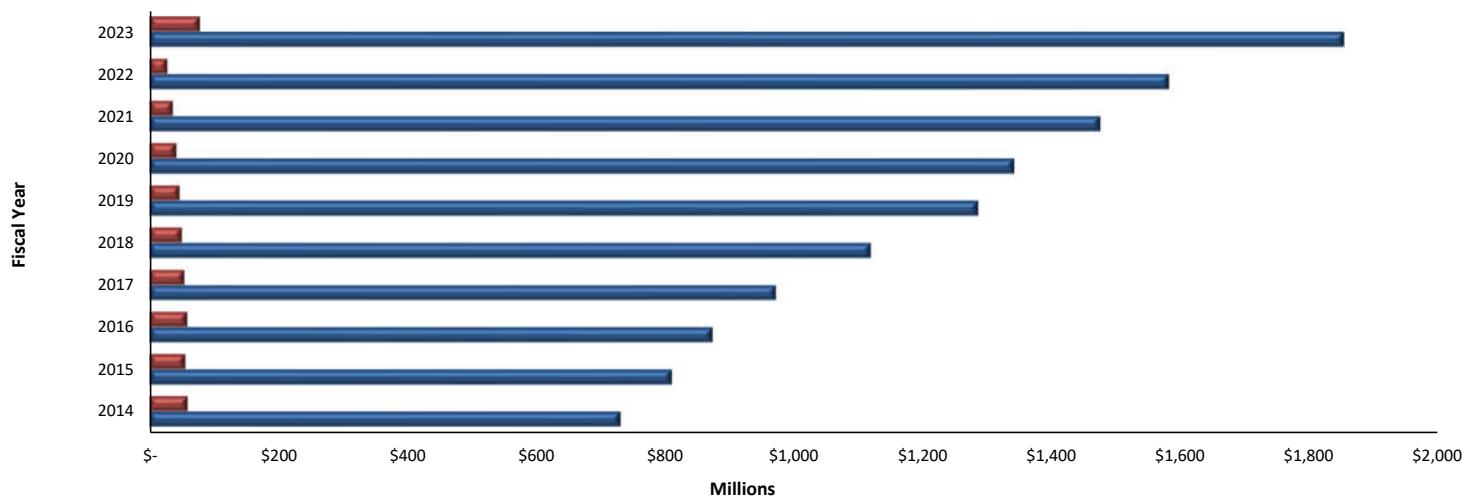
Total net debt applicable to the limit as a percentage of debt limit 3.78%

	2014	2015	2016 ⁽¹⁾	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$ 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	\$ 1,853,820,541
Total net debt applicable to limit	<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>	<u>70,127,812</u>
Legal debt margin	<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>	<u>\$ 1,783,692,729</u>
Total net debt applicable to the limit as a percentage of debt limit	7.57%	7.21%	6.19%	5.12%	4.13%	3.19%	2.70%	1.87%	4.91%	3.78%

Source: District financial statements and Oregon Revised Statutes

⁽¹⁾ Restated numbers. Original published values from Washington County were incorrect.

Legal Debt Limit vs Bonded Debt Outstanding



■ Actual Debt ■ Debt Limit

Tualatin Valley Fire and Rescue

Demographic and Economic Statistics

Last Ten Fiscal Years

Fiscal Year	Population Served ⁽¹⁾	Square Miles Served ⁽²⁾	Per Capita Income ⁽³⁾	Total Personal Income (in thousands)	School Enrollment ⁽⁴⁾	Unemployment ⁽⁵⁾
2023	547,142	390	\$ 71,537	\$ 39,140,897	55,065	3.1 %
2022	542,524	390	\$ 71,537	\$ 38,810,539	55,323	3.3
2021	535,723	390	\$ 71,537	\$ 38,324,016	57,904	4.5
2020	536,535	390	\$ 66,270	\$ 35,556,174	57,688	8.9
2019	530,446	390	\$ 62,493	\$ 33,149,162	57,826	3.1
2018	519,853	390	\$ 61,218	\$ 31,824,361	57,847	3.4
2017	491,376	390	\$ 57,641	\$ 28,323,404	57,592	3.4
2016	459,234	210	\$ 54,672	\$ 25,107,267	56,519	4.0
2015	454,598	210	\$ 53,464	\$ 24,304,627	56,036	4.6
2014	450,008	210	\$ 50,231	\$ 22,604,352	57,221	5.5

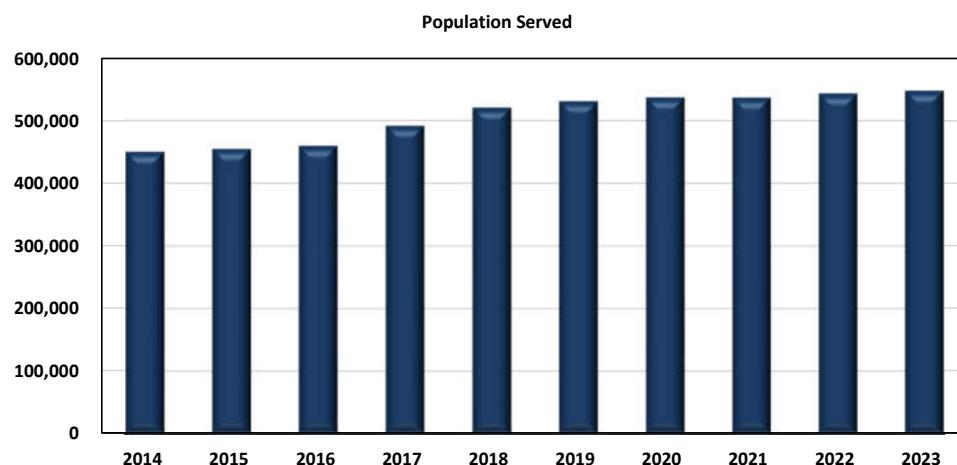
⁽¹⁾ Portland State University/TVFR Planning Department

⁽²⁾ 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

⁽³⁾ Bureau of Economic Analysis (Washington County Only). Latest information through 2021.

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

⁽⁵⁾ 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

	2023		2014	
	Annual Average (1)	% of Total	Annual Average (1)	% of Total
Natural Resources & Mining	3,220	1%	3,148	1%
Construction	18,517	6%	13,322	5%
Manufacturing				
Food	2,564		1,793	
Wood Products	1,050		1,047	
Plastics and Rubber Products	1,396		1,665	
Fabricated Metal Products	3,896		3,024	
Machinery	5,925		4,017	
Computer and Electronic Products	31,763		26,826	
Other	7,267		6,790	
Total Manufacturing	53,861	18%	45,162	17%
Trade, Transportation, and Utilities				
Wholesale	13,977		12,758	
Retail	32,772		30,172	
Transportation, Warehousing, and Utilities	7,480		4,215	
Total Trade, Transportation, and Utilities	54,229	18%	47,145	18%
Information				
Publishing	3,349		3,170	
Telecommunications	886		2,121	
Other (Broadcasting, ISP's, etc.)	3,397		2,179	
Total Information	7,632	3%	7,470	3%
Financial Activities				
Finance and Insurance	10,122		10,907	
Real Estate	4,182		3,198	
Total Financial Activities	14,304	5%	14,105	5%
Professional & Business Services	56,570	19%	50,007	19%
Education	5,278	2%	4,912	2%
Health & Social Assistance	32,161	11%	26,800	10%
Leisure & Hospitality	25,561	8%	22,499	8%
Other Services	9,481	3%	8,568	3%
Private Non-Classified	733	0%	(2)	0%
Total All Government	22,756	7%	21,788	8%
Total Employment	<u><u>304,303</u></u>	<u><u>100%</u></u>	<u><u>264,926</u></u>	<u><u>100%</u></u>

⁽¹⁾ Information is presented on a calendar year basis.

⁽²⁾ Information unavailable for 2014.

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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Fire and Rescue Service	344	359	376	438	454	454	454	447	453	466
Fire Prevention and Training	24	23	23	23	21	22	22	24	22	19
Administrative and Support	90	91	90	94	95	93	99	95	97	104
Total	458	473	489	555 ⁽¹⁾	570	569	575	566	572	589

Source: Tualatin Valley Fire and Rescue Human Resources records

⁽¹⁾ 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 ⁽¹⁾

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety:										
Code Enforcement										
Inspections (not including night)	3,906 ⁽²⁾	4,657	4,169	4,891	4,394	3,727	3,674	2,750 ⁽⁴⁾	684 ⁽⁴⁾	2,077
Re-Inspections	2,371	2,882	2,612	2,696	3,252	1,769	1,859	1,300 ⁽⁴⁾	285 ⁽⁴⁾	1,030
Night inspections	211	174	337	198	246	175	242	160 ⁽⁴⁾	21 ⁽⁴⁾	142
Violations Found	4,021	4,918	4,290	4,209	2,679	2,168	2,985	1,975 ⁽⁴⁾	368 ⁽⁴⁾	1,784
Incident Response										
Dispatched as:										
1 - Fire, Explosion	3,597	3,460	3,776	4,111	4,423	4,688	4,630	4,421	4,738	4,719
3 - EMS/Rescue Call	28,737	29,829	32,067	36,191	40,688	39,542	41,025	40,281	46,613	49,987
4 - Hazardous Condition	662	783	767	941	1,227	343 ⁽³⁾	278	205	279	325
5 - Service Call	1,209	1,260	1,334	1,567	2,048	4,721 ⁽³⁾	5,327	5,065	5,618	5,705
6 - Good Intent	342	304	386	196	272	- ⁽³⁾	-	-	-	-
9 - Other Situation	539	497	551	509	553	43 ⁽³⁾	35	-	-	9
Total Responses	<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>	<u>60,745</u>
Situations found:										
1 - Fire, Explosion	1,028	999	1,294	1,199	1,362	1,359	1,301	1,185	1,296	1,128
2 - Overpressure	86	59	28	41	21	40	30	24	27	27
3 - EMS/Rescue Call	22,244	23,460	26,236	29,693	33,390	33,663	34,556	33,904	40,675	44,521
4 - Hazardous Condition	915	1,113	1,065	1,274	1,500	1,267	1,482	1,139	1,352	1,367
5 - Service Call	2,567	2,496	2,502	3,058	3,625	3,447	3,644	3,447	2,718	2,673
6 - Good Intent	6,156	6,013	5,681	5,867	6,676	6,897	7,438	7,621	8,394	7,950
7 - False Call	2,050	1,942	2,058	2,366	2,611	2,654	2,840	2,635	2,769	3,070
8 - Natural Condition	7	23	10	7	21	1	3	13	10	3
9 - Other Situation	33	28	7	10	5	9	1	4	7	6
Total Responses	<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>	<u>60,745</u>

Source: TVFR Budget and Standards of Cover documents.

⁽¹⁾ Most recent full calendar year indicators.

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

⁽³⁾ Reclassification of call types for the Standards of Cover occurred in 2018

⁽⁴⁾ 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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety:										
Number of Stations	21	21	22 ⁽²⁾	22	24 ⁽⁴⁾	27 ⁽⁵⁾	28 ⁽⁶⁾	28	29 ⁽⁸⁾	29
Equipment:										
Aerial/Truck/Platform	4	4	4	5	5	5	5	5	5	6 ⁽⁹⁾
Antique Fire Equipment	3	5	6	6	6	6	6	6	6	6
Brush Rig	12	9	9	11 ⁽³⁾	12	15	15	13	13	14 ⁽⁹⁾
Cars	4	7 ⁽¹⁾	7	8	8	8	8	8	8	8
Elevated Waterway	3	3	3	3	3	3	3	- ⁽⁷⁾	-	-
HazMat	5	5	5	5	5	5	5	5	5	5
Medic Unit	10	10	10	10	10	14	14	14	14	14
Mobile Command Unit	1	1	1	1	1	1	1	1	1	1
Pumper/Engine	30	28	28	32 ⁽³⁾	32	38	38	38	40	40
Rehab Unit	2	2	2	2	2	2	2	2	2	2
Squad	-	-	1	1	1	1	2	2	3	1 ⁽⁹⁾
Technical/Water Rescue	7	7	7	9	9	9	9	9	9	9
Tiller	-	-	-	2	2	3	3	3	3	3
Training Mobile Unit	-	-	-	-	-	-	-	1	1	1
Safety House	1	1	1	1	1	1	1	1	1	0 ⁽⁹⁾
Water Tender	9	7	7	11 ⁽³⁾	9	11	11	11	11	11

Source: TVFR Facilities and Fleet departments.

⁽¹⁾ Three additional Cars were placed into service.

⁽²⁾ Station 70 placed into service.

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

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

⁽⁵⁾ 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).

⁽⁶⁾ Station 55 opened in August of 2018.

⁽⁷⁾ New station 39 opened in January of 2020.

⁽⁸⁾ Eliminated this equipment type in 2021.

⁽⁹⁾ Station 54 opened in September of 2021.

⁽⁹⁾ Additional platform truck was placed into service; two Squads were reclassified (staff & Brush Rig); the Safety House was donated to McMinnville Fire.

**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**





Talbot, Korvol & Warwick, LLP 14945 SW Sequoia Parkway, Suite 150, Portland, Oregon 97224
P 503.274.2849 F 503.274.2853 www.tkw.com

**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, 2023, 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 17, 2023. 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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, Kovolos & Warwick, LLP

Portland, Oregon

October 17, 2023



11945 SW 70th Avenue
Tigard, OR 97223-9196

Phone: (503) 649-8577

www.tvfr.com



TualatinValleyFireandRescue



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TualatinValleyFire

Copies of the Budget Document, Annual Comprehensive Financial Report, and Popular Annual Financial Report are available online at www.tvfr.com.

Hard copies can be requested by calling (503) 649-8577.
This report was prepared by the Tualatin Valley Fire & Rescue Finance Department.