Tualatin Valley Fire & Rescue

A Rural Fire Protection District
Oregon

Annual Comprehensive Financial Report

For the year ended June 30, 2025

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 unincorporated 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, 2025

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 15, 2025

To the Citizens and 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, 2025. 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.

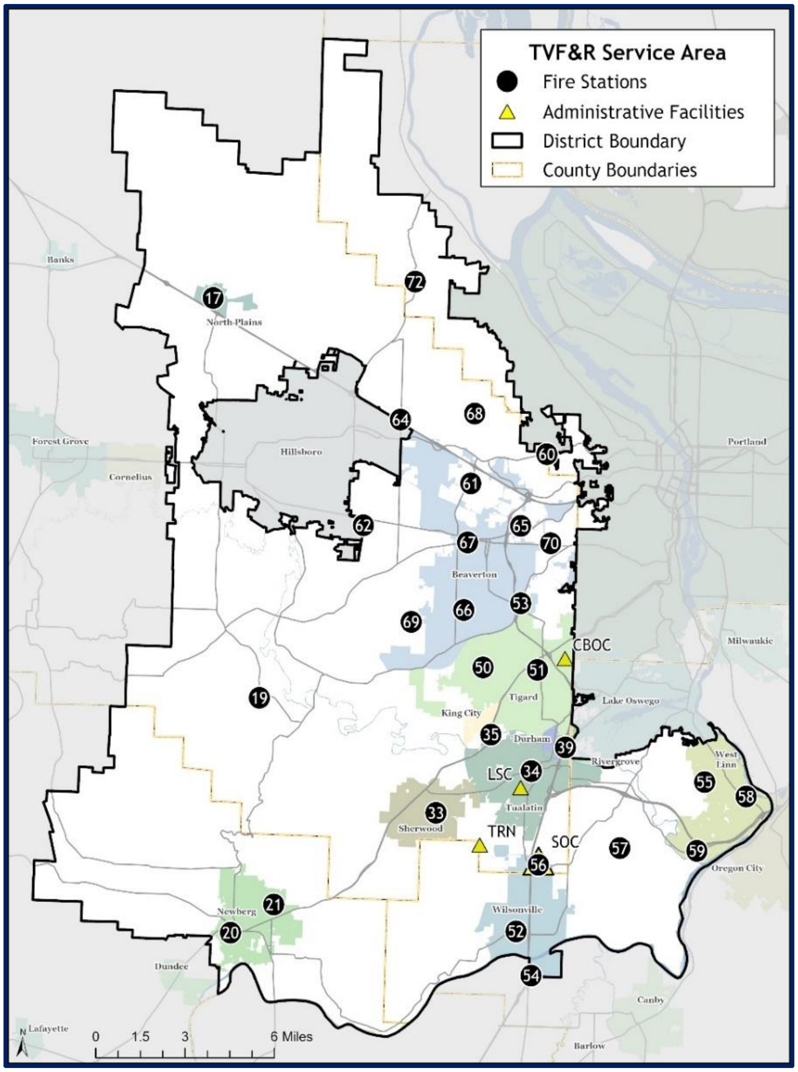
Tualatin Valley Fire and Rescue is a special district established to provide a full range of fire protection and emergency response services to its residents. This report has been prepared in accordance with accounting principles generally accepted in the United States of America and follows guidelines 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 2025 population of 548,376.

The District currently operates 29 career and volunteer fire stations. The District deploys a complement of fire engines, ladder trucks, aerial pumpers, hazardous materials response units, technical rescue units, one heavy CBRNE unit (chemical, biological, radiological, nuclear, and explosives), water tenders, brush rigs, and several other pieces of equipment, including medics, response cars, water rescue units, a mobile command unit, and additional fleet vehicles utilized to supplement response needs. District employees - 599 in 2025 - were supplemented by approximately 60 volunteer firefighters.

The District has been and continues to be focused on providing the taxpayers with the highest level of service in efficient and effective operation. The District continues to implement operational improvements such as additional fire stations and emergency response units, to accomplish its strategic goals. Through its local option levy, the District continues to purchase future fire station sites with the three sites currently 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 wine-growing regions contributing to the state economy.

Assessed valuation continues to grow and 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 $0.1314 per thousand in 2024-25. Increases in assessed valuation result in increased tax revenue to the District. Assessed valuation increased from $76.3 billion in the 2023-24 fiscal year to approximately $79.3 billion in the 2024-25 fiscal year, which is approximately 4.0%.

Capital funding in 2024-25 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 preclude the ability to acquire suitable locations and provided for station remodeling and response apparatus purchases. 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 for residential, commercial, and wildfire incidents; emergency medical services and ambulance transport; and water, high angle, and heavy rescue response. 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 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 289 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, 2025 are in the top seven counties in Oregon in the first quarter of 2025 providing employment of 75,000 or more people. Washington County's average weekly wages were $1,723/week, and Multnomah County's were $1,645/week, as compared to $1,589/week nationally. Clackamas County has average weekly wages of $1,399 and the Newberg service area, which covers portions of Yamhill County, has average weekly wages of $1,076. [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 approximately 50% of the market value as of the 2024-25 fiscal year. For 2024-25, the assessed value of the District grew 4.0%, now totaling over $79.3 billion dollars. Top taxpayers of the District include Nike, Maxim Integrated Products Inc., Pacific Realty Associates, Comcast, LAM Research Corporation, and electric and natural gas utilities. Top ten taxpayers for all of Washington County comprise approximately 10% 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, Providence Health Systems, Oregon Health & Science University, Nike, Inc., Fred Meyer, U.S. Bank, Comcast, and Wells Fargo, among others.

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

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 4.7 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 not required during the 2024-2025 year.

In fiscal year 2025, the District focused on three planned significant capital areas which advance the implementation of the voter approved $122 million General Obligation Bond; land acquisition, station construction, and acquisition of emergency response apparatus and vehicles. Combined efforts are required to manage the projects, 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 2025 have continued toward the land acquisition of additional future station sites, and design, and preconstruction of building improvements for Stations 35, 20 and 62.

Department Service Efforts and Accomplishments

During the fiscal year ended June 30, 2025, all divisions and departments of the District contributed toward the accomplishments of the 2023-28 Strategic Plan. The three main goals, supplemented by supporting strategies and organizational tactics, as outlined in the District's 2023-28 Strategic Plan were:

1. **HEALTH**: Advance a healthy organization through a unified mission, effective communication, resilient people, and responsible resource management.

2. **PERFORMANCE:** 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. **OPPORTUNITIES:** Carefully evaluate and then execute, or dismiss, emerging opportunities.

Accomplishments during the fiscal year ended June 30, 2025 as a result of these goals included the progression of capital bond projects, launch of the Armed Resource Medic (ARM) program, completion of station network independence for increased communication resiliency, and actively participating in Washington County's EMS Alliance and other state and local partnerships. Work continued to support operational enhancements through firefighters, response units, and fire stations, and ongoing resident public safety education and messaging.

Other Information

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Tualatin Valley Fire and Rescue for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. This was the 38th 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 (PAFR) for the 11th year in a row for its PAFR for the year ended June 30, 2024.

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, 2025. 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 38th 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, 2024

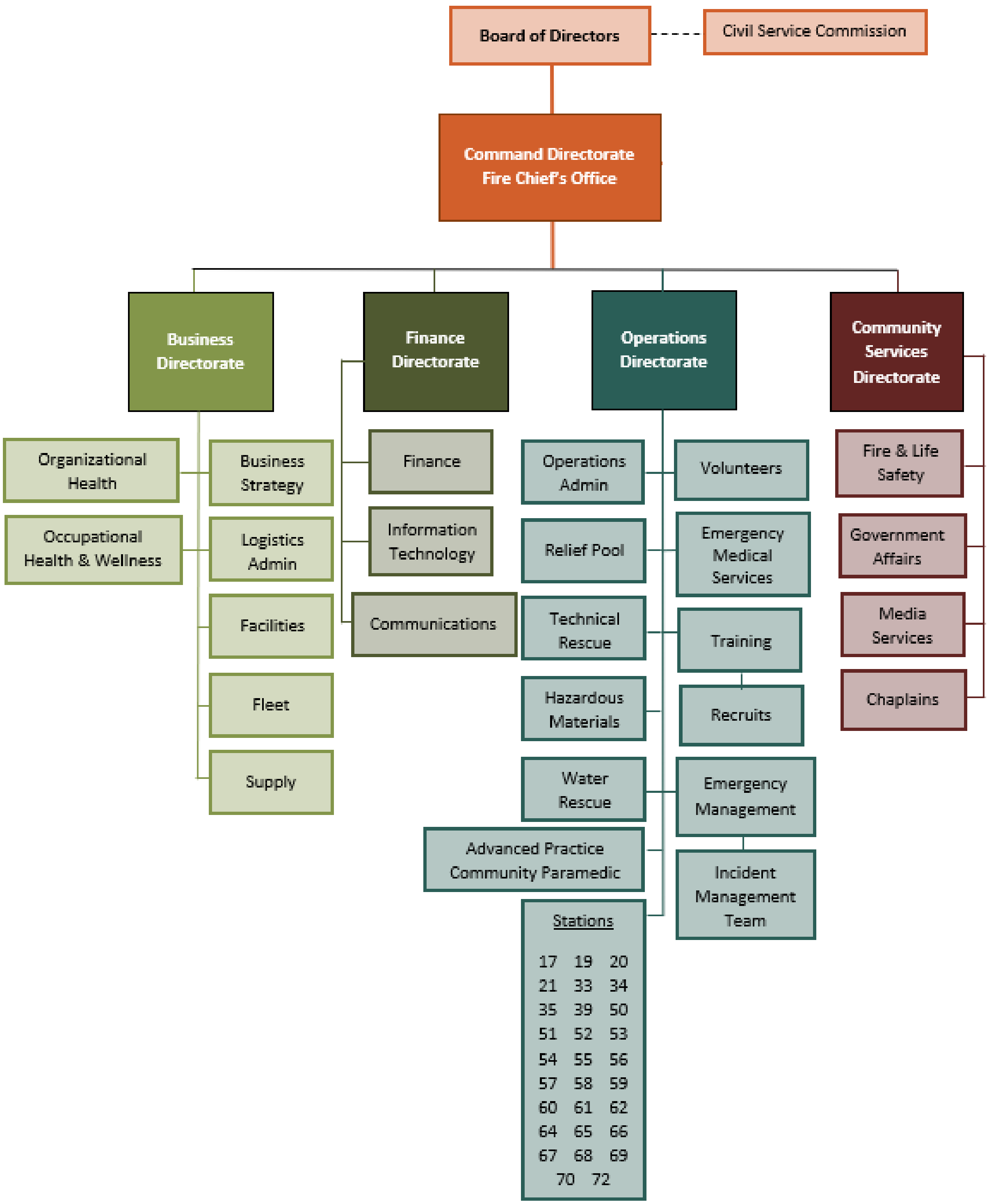
Christopher P. Morrill

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, 2024.

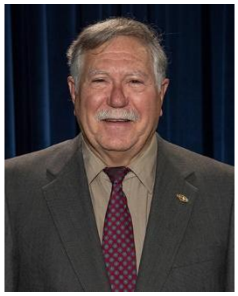
This was the 38th consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the District must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

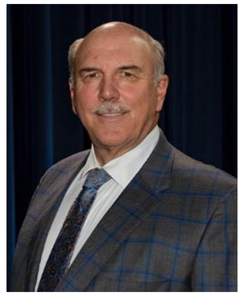
Organizational Chart



Board of Directors at June 30, 2025


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


Vice President
Robert C. Wyffels
Term Ends:
June 30, 2025


Secretary-Treasurer
Clark I. Balfour
Term Ends:
June 30, 2025


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


Director
Gordon L. Hovies
Term Ends:
June 30, 2025

Budget Committee Members

Angie R. Fong
Term Ends:
June 30, 2027

Paul A. Leavy
Term Ends:
June 30, 2027

Michael T. Mudrow
Term Ends:
June 30, 2025

Michael D. Smith
Term Ends:
June 30, 2025

Roy Rogers
Term Ends:
June 30, 2026

Registered Agent

Deric C. Weiss
Fire Chief

Legal Counsel

Innova Legal
Advisors, Inc.

Tualatin Valley Fire and Rescue Headquarters:
Command & Business Operations Center
11945 SW 70th Avenue
Tigard, Oregon 97223-8566

Board of Directors and Registered Agent may be contacted at the above Headquarters address.

Financial Section

TVF&R

Tualatin Valley
Fire & Rescue

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, 2025, 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, 2025, 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

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.

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

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 15, 2025, 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.

Julie B. Fahey

For Talbot, Korvola & Warwick, LLP
Portland, Oregon
October 15, 2025

TVF&R
Tualatin Valley
Fire & Rescue

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, 2025. 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, 2025 by $74,141,698 (also defined as net position) which reflects a decrease of net position of $519,348. Of this amount, $110,548,795 represents the District's net investment in capital assets; $714,463 and $2,006,041 are restricted for debt service and an OPEB asset respectively, and the difference represents an unrestricted deficit net position of $39,127,601 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 decreased by $519,348 for the year ended June 30, 2025. The unrestricted net position, which is a net deficit of $39,127,601, increased in the year and worsened by $5,074,624 (including an accounting restatement), net investment in capital assets net position increased by $5,027,368, and restricted net position decreased by $472,092.

- As of June 30, 2025, the District's governmental funds reported combined ending fund balances of $135,494,582, a decrease of $431,689 in comparison with the prior year. The General Fund's fund balance decreased by $618,074, the Capital Projects Fund's fund balance decreased by $960,676, and there were net increases in ending fund balances of nonmajor funds of $1,147,061.

- At June 30, 2025, the General Fund has an assigned fund balance which is identified for 1) the mitigation of future Oregon Public Employees Retirement System rate increases totaling $3,000,000, and 2) the subsequent year's budget appropriation of fund balance totaling $12,647,123. The unassigned fund balance in the General Fund was $44,990,829, and when combined with the assigned budget appropriation of fund balance, represents 35.5% of General Fund expenditures. This is shy by 6.2% of the District policy to maintain five months, or 41.7%, of General Fund operating expenditures as ending fund balance. 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 $9,175,453 during the current fiscal year. This was due to principal payments of $7,770,000 and amortization of premiums of $1,161,859 on the District's three outstanding general obligation bond issues, principal payments of $194,958 on the lease payable, and principal payments of $318,922 on the subscription payable, offset by the recognition of subscription liability of $495,204 and a reduction in lease liability due to a remeasurement adjustment of $224,918.

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, 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 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 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 90 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's pension and OPEB schedules detailing ten years of (assets)/liabilities and contributions. Required supplementary information can be found on pages 93 through 101 of this report.

Combining and individual fund schedules are presented as other supplementary information and can be found on pages 105 through 122 of this report. The Schedule of Property Tax Transactions and Outstanding Balances can be found on page 123 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 $74,141,698 at June 30, 2025.

A significant portion of the District's net position (149%) 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 $39,127,601 which reflects the District's obligations exceeding assets. The net increase in net pension liability and related deferrals related to PERS at June 30, 2025 is $820,824. The combined net increase in other post-employment benefits (OPEB) healthcare plan liability and related deferrals at June 30, 2025 is $5,528,863.

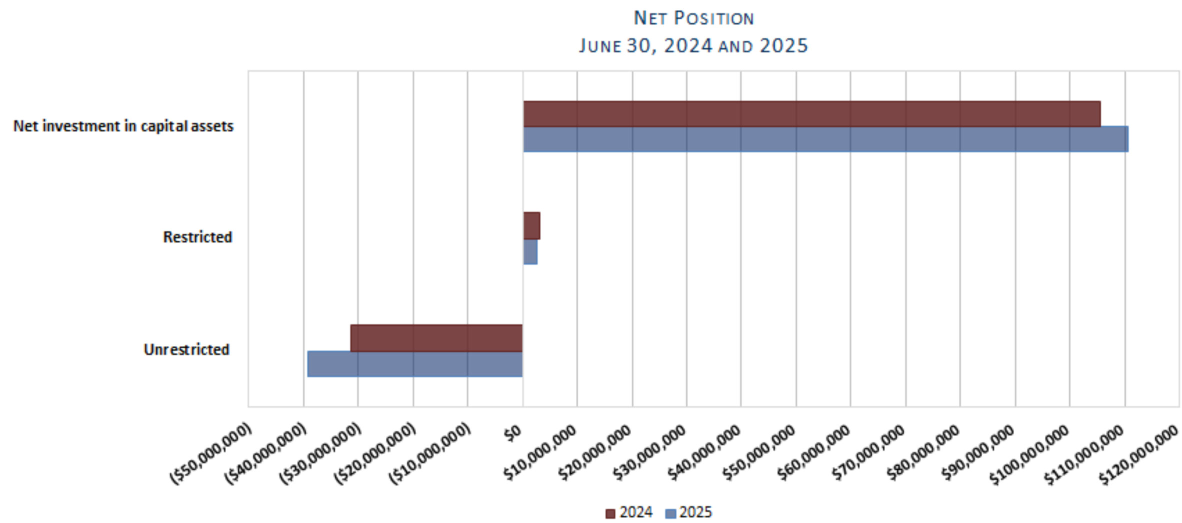
Assets consist of cash and cash equivalents, investments, property taxes and other receivables, inventories, and prepaid items that are used to meet the District's ongoing obligations to its community. Remaining assets are comprised of capital assets used in operations.

The District's largest liabilities (85%) are for the long-term portion of general obligation bonded debt, pension and OPEB liabilities, and lease and subscription payables. Current liabilities of the District consist largely of accounts payable, accrued salaries and benefits payable, accrued compensated absences and the current portions of general obligation debt, lease and subscription payables, and certain pension and OPEB plans.

Government-wide Financial Analysis

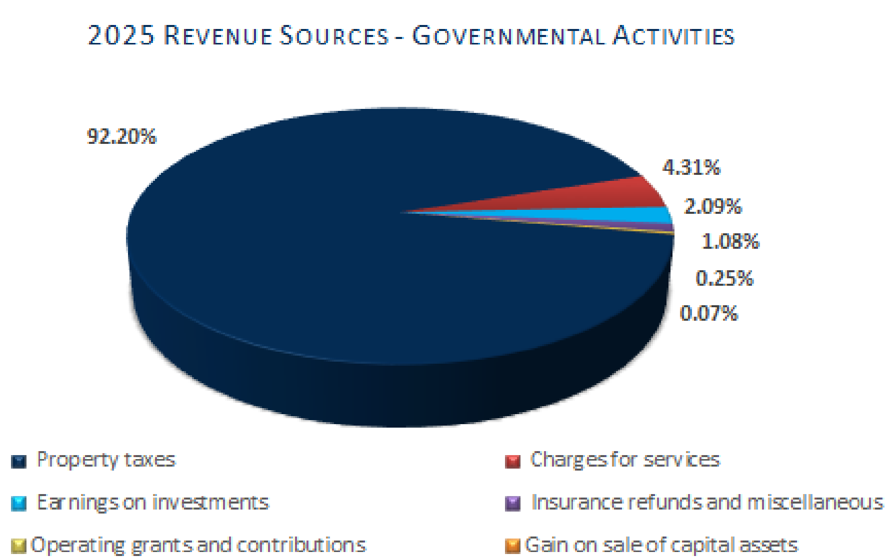
	Governmental Activities		Increase (Decrease) from Fiscal 2024
Net Position:	2025	2024	
Current and other assets	$ 167,928,627	$ 165,930,466	$ 1,998,161
Capital assets	116,662,128	117,126,967	(464,839)
Total assets	284,590,755	283,057,433	1,533,322
Total deferred outflows of resources	99,943,407	63,670,710	36,272,697
Current liabilities	44,331,155	39,322,606	5,008,549
Long-term debt, pension, and OPEB liabilities	241,981,262	215,603,174	26,378,088
Total liabilities	286,312,417	254,925,780	31,386,637
Total deferred inflows of resources	24,080,047	14,485,211	9,594,836
Net investment in capital assets	110,548,795	105,521,427	5,027,368
Restricted	2,720,504	3,192,596	(472,092)
Unrestricted	(39,127,601)	(31,396,871)	(7,730,730)
Total net position	$ 74,141,698	$ 77,317,152	$ (3,175,454)

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

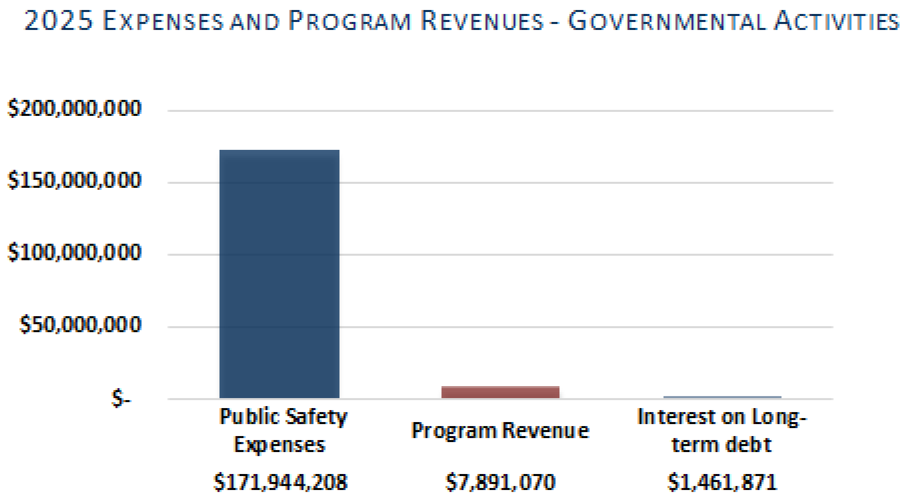


Governmental Activities. During the current fiscal year, the District's net position decreased by $519,348, as expenses of $173.4 million exceeded revenues of $172.9 million. Compared to the prior year, total revenues increased $2.3 million or 1.3%, resulting from property tax revenues increase of $5.1 million driven by assessed valuation growth of approximately 4.0%, charges for services increase of $1.5 million because of increased wildfire conflagration response reimbursements, and offset by a decrease in investment earnings of $4.7 million, as a result of the recognition of an arbitrage rebate liability recorded against investment earnings.

Changes in overall expenses saw an increase of $7.1 million or 4.3% due to increases in public safety expenses of $7.3 million, which resulted from the net effects of a combined increase of $5.0 million in personnel services, materials and services, and depreciation and amortization, an increase of $4.2 million in actuarial calculated OPEB expense, an increase in compensated absences expense of $2.3 million, offset by a $4.2 million decrease in actuarial calculated total pension expense. Additionally, there was a decrease of $0.2 million in interest expense for debt service.



As shown in the chart below, revenues generated by District programs are not sufficient to cover public safety and interest expenses. The District relies on property tax revenue to meet the costs associated with the services provided.



Government-wide Financial Analysis

Changes in Net Position:	Governmental Activities 2025	Governmental Activities 2024	Increase (Decrease) from Fiscal 2024
Revenues			
Program revenues			
Charges for services	$ 7,458,196	$ 5,991,650	$ 1,466,546
Operating grants and contributions	432,874	193,456	239,418
General revenues:			
Property taxes	159,397,748	154,302,029	5,095,719
Investment earnings	3,614,610	8,354,202	(4,739,592)
Insurance dividends and refunds	1,089,619	1,342,165	(252,546)
Gain on sale of capital assets	125,637	35,791	89,846
Miscellaneous	768,047	387,422	380,625
Total revenues	172,886,731	170,606,715	2,280,016
Expenses			
Public safety-fire protection and rescue	171,944,208	164,597,046	7,347,162
Interest on long-term debt	1,461,871	1,717,107	(255,236)
Total expenses	173,406,079	166,314,153	7,091,926
Change in net position	(519,348)	4,292,562	(4,811,910)
Net position - beginning (2025 restated)*	74,661,046	73,024,590	1,636,456
Net position - ending	$ 74,141,698	$ 77,317,152	$ (3,175,454)

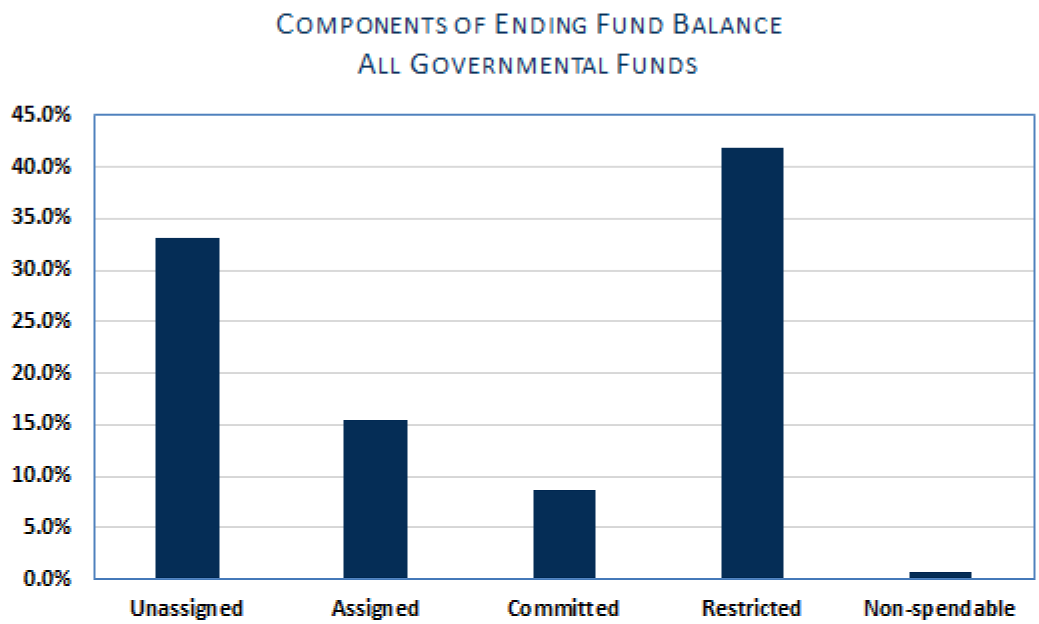
*Restated due to change in accounting principle with implementation of GASB 101, *Compensated Absences*

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, 2025, the District's governmental funds reported combined ending fund balances of $135,494,582. Of this total amount (33.2%) 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 (.7%), restricted by external parties and covenants (41.9%), committed by the Board of Directors (8.7%), or assigned to a specific purpose such as the subsequent year's budget appropriation and capital projects (15.5%). The components of governmental funds ending fund balance are depicted below:



Compared to prior year, the combined ending fund balance of the governmental funds decreased $431,689. Total revenues increased by $5.7 million or 3.4%, primarily a result of property tax growth and increased charges for services related to wildfire conflagration responses. Total expenditures increased by $11.4 million or 6.9%, driven by increases in personnel services and capital outlay costs.

General Fund. The General Fund is the primary operating fund of the District. As of June 30, 2025, unassigned fund balance of the General Fund was $44,990,829, with total fund balance of $69,399,299. This balance is comprised of $7,314,499 committed to future capital purchases, $487,226 committed to the Volunteer LOSAP Plan, $3,000,000 assigned to fund the PERS pension obligation, $12,647,123 assigned to offset an anticipated budgetary deficit, and $959,622 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 27.7% of total General Fund expenditures and the total fund balance represents 42.7% of total General Fund expenditures.

The fund balance of the District's General Fund decreased by $618,074, or approximately 0.9% during the current fiscal year, as current year revenues fell short of expenses by $752,753, while other financing sources contributed $134,679. Property tax revenue, which provides for the costs of operating the District, increased $4,898,378, or approximately 3.4%, over the prior year driven by increases in assessed property values. Charges for services increased by $743,638 over the prior year mainly due to increases in wildfire response reimbursements.

Public Safety, debt service, and capital outlay expenditures increased $8,572,494 overall, or approximately 5.6%, which reflects increases in personnel services of $6,197,841, materials and services of $901,926, and capital outlay of $1,510,149, offset by a decrease in debt service of $37,422. The increase in personnel services is due to contractual increases in base salaries and the resulting payroll taxes, along with increases to medical and workers compensation insurance, and the increase in capital outlay was a result of the acquisitions of replacement apparatus and vehicles. Transfers out to other funds increased $500,000.

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, 2025 of $56,070,761 is restricted for capital projects, and decreased $960,676 during the current fiscal year due to increases in capital outlay expenditures for planned station remodels to modernize each facility and improve operational capacity, efficiency, personnel living conditions, and safety for personnel assigned there.

General Fund Budgetary Highlights

There was one budget transfer resolution for the General Fund during the year. The transfer was approved to increase capital outlay appropriation associated with the inception of a subscription-based information technology arrangement which provides the District with productivity, collaboration, and security software applications.

The General Fund revenues exceeded the final budget amount by $4.2 million driven by investment earnings and charges for services, and the total public safety expenses were lower than budget by $9.2 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 $61.6 million provides approximately 4.7 months of available funding which is slightly lower than the target of 5.0 months.

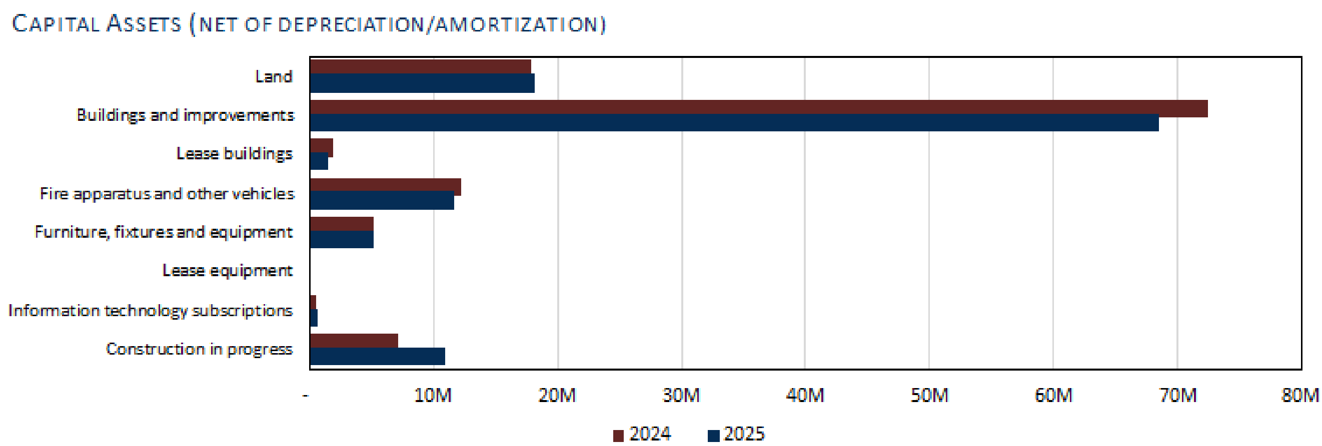
Capital Assets and Debt Administration

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, 2025, the District had invested $116,662,128 in capital assets, net of depreciation and amortization, as shown in the following table and chart:

Capital Assets (net of depreciation/amortization):

	2025	2024	Increase (Decrease) from Fiscal 2024
Land	$ 18,149,848	$ 17,833,633	$ 316,215
Buildings and improvements	68,563,405	72,517,194	(3,953,789)
Lease buildings	1,476,489	1,898,890	(422,401)
Fire apparatus and other vehicles	11,671,376	12,145,980	(474,604)
Furniture, fixtures and equipment	5,119,676	5,109,508	10,168
Lease equipment	39,199	60,581	(21,382)
Information technology subscriptions	653,606	487,707	165,899
Construction in progress	10,988,529	7,073,474	3,915,055
Total	$ 116,662,128	$ 117,126,967	$ (464,839)

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

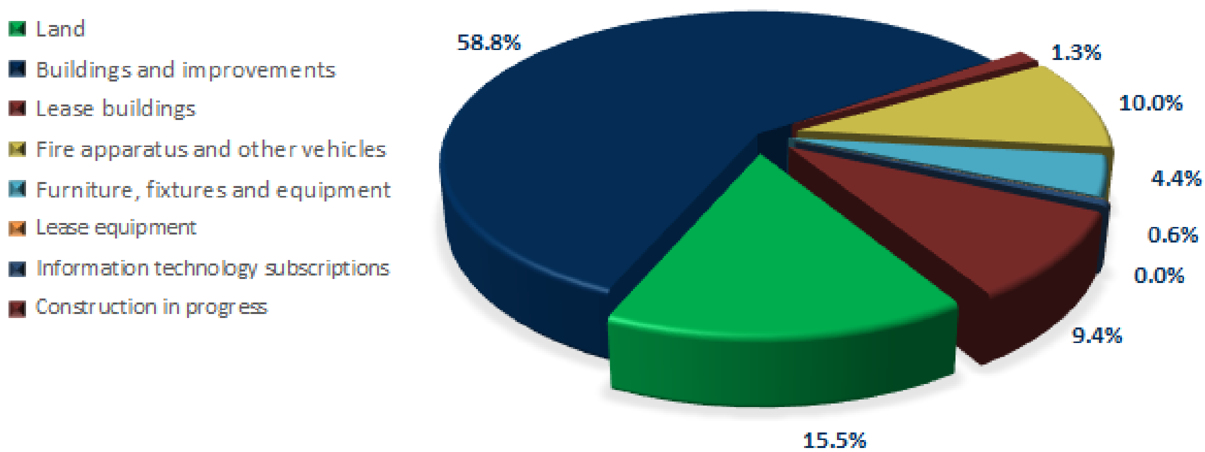


During the year, the District's investment in capital assets decreased by $464,839, reflecting assets of $6,993,157 added during the year, offset by $7,166,045 of depreciation and amortization, a lease building adjustment of $224,918, and $67,033 of disposals net of related depreciation. Capital assets added during the year included a hazardous materials incident response unit, apparatus for training simulations, fire station building improvements and land, patient care equipment, communications equipment, physical fitness equipment, facility appliances and generator, and a subscription-based information technology software agreement.

The District's construction in progress includes several emergency response apparatus and vehicles, station building improvements, 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 60 of this report.

CAPITAL ASSETS AT 6/30/25 (NET OF DEPRECIATION/AMORTIZATION)



Long-term Debt. At the end of the current fiscal year, the District had total bonded debt of $53,271,992, 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 $1.98 billion. Lease liabilities totaled $1,697,540 and were reduced by principal payments of $194,958 and a remeasurement adjustment of $224,918. Subscription liabilities totaled $575,797 and were impacted by the recognition of a new SBITDA totaling $495,204 and principal payments of $318,922. Additional information on the District's long-term obligations can be found on pages 64 through 66 of this report.

Economic Factors and Next Year's Budget

The District's service area is 390 square miles and has a population of approximately 550,000. 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 forecasted to continue to grow for 2025-26 based upon continued stability 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.

In May 2024, voters approved a replacement local option levy of $0.69 per $1,000 of assessed value for the five years from 2025-26 through 2029-30, which is an increase of 53% from the previous levy rate of $0.45 per $1,000 of assessed value. The related increase in property tax revenue will be utilized to retain and increase firefighter and paramedic positions to maintain reliable emergency response and meet the increase in the frequency of emergency incidents occurring in the District's service area. In addition, levy proceeds will be utilized to purchase specialized equipment used for medical emergencies and search and rescue efforts, along with the purchase of smaller vehicles used to meet the demands of increased wildfire risk and a strained emergency medical system.

The District, through its broad geographic area, serves a strong part of Oregon's economic base. The area serves as the home to companies such as Nike, Columbia Sportswear, Reser's Fine Foods Inc., and Flir Systems Inc. Top metropolitan-area employers include Intel, Providence Health & Servies, Fred Meyer, Oregon Health & Science University, US Bank, Wells Fargo, Portland General Electric, Comcast and Nike, among others. As of June 2025 unemployment for Washington County was 4.5%, which is a slight increase from prior year, but remains within historical pre-pandemic averages.

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, 2025

	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds	Adjustments	Statement of Net Position
Assets						
Cash and cash equivalents	$ 85,263,150	$ 56,768,114	$ 9,970,906	$ 152,002,170	$ 599,023	$ 152,601,193
Investments	519,598	-	-	519,598	-	519,598
Receivables:						
Property taxes receivable	3,238,867	-	228,985	3,467,852	-	3,467,852
Forest revenue receivable	47,571	-	-	47,571	-	47,571
Other receivables (net of allowances)	2,214,662	194,908	107,411	2,516,981	22,849	2,539,830
Due from other funds	106,813	-	-	106,813	(106,813)	-
Prepaid items	-	-	-	-	5,095,284	5,095,284
Supplies inventory	959,622		-	959,622	-	959,622
Other asset	-	-	-	-	691,636	691,636
Net PERS RHIA OPEB asset	-	-	-	-	2,006,041	2,006,041
Capital assets, not being depreciated:						
Land	-	-	-	-	18,149,848	18,149,848
Other capital assets	-	-	-	-	231,000	231,000
Construction in progress	-	-	-	-	10,988,529	10,988,529
Capital assets, net of accumulated depreciation:						
Buildings and improvements	-	-	-	-	70,039,894	70,039,894
Fire apparatus and other vehicles	-	-	-	-	11,440,376	11,440,376
Furniture, fixtures, equipment, and subscriptions	-	-	-	-	5,812,481	5,812,481
Total assets	92,350,283	56,963,022	10,307,302	159,620,607	124,970,148	284,590,755
Deferred Outflows of Resources						
Deferred refunding charge	-	-	-	-	670,772	670,772
PERS RHIA OPEB	-	-	-	-	407,742	407,742
Single employer plan OPEB	-	-	-	-	227,086	227,086
Multiple employer cost-sharing plan OPEB	-	-	-	-	36,042,684	36,042,684
PERS Pension related deferred outflows	-	-	-	-	62,595,123	62,595,123
Total deferred outflows of resources	-	-	-	-	99,943,407	99,943,407
Total assets and deferred outflows	$ 92,350,283	$ 56,963,022	$ 10,307,302	$ 159,620,607	$ 224,913,555	384,534,162
Liabilities						
Accounts payable	$ 5,332,810	$ 808,230	$ 31,015	$ 6,172,055	$ 38,411	$ 6,210,466
Due to other funds	-	84,031	22,782	106,813	(106,813)	-
Accrued salaries and benefits payable	13,199,941	-	-	13,199,941	-	13,199,941
Accrued interest payable	-	-	-	-	230,846	230,846
Unearned revenue	-	-	-	-	-	-
Long-term liabilities:						
Due within one year:						
Bonds, leases, subscriptions, compensated absences	-	-	-	-	22,480,093	22,480,093
Total OPEB liability - single employer plan	-	-	-	-	91,436	91,436
Total OPEB liability - multiple employer cost-sharing plan	-	-	-	-	2,092,926	2,092,926
Total pension liability (LOSAP)	-	-	-	-	16,768	16,768
Total pension liability (Pension Plan)	-				8,679	8,679
Due in more than one year:						
Bonds, leases, subscriptions, compensated absences	-	-	-	-	48,221,032	48,221,032
Arbitrage rebate payable	-	-	-	-	4,178,542	4,178,542
Total OPEB liability - single employer plan	-	-	-	-	594,504	594,504
Total OPEB liability - multiple employer cost-sharing plan	-	-	-	-	52,789,418	52,789,418
Total pension liability (LOSAP)	-	-	-	-	201,316	201,316
Total pension liability (Pension Plan)	-	-	-	-	86,296	86,296
Net pension liability (PERS)	-	-	-	-	135,910,154	135,910,154
Total liabilities	18,532,751	892,261	53,797	19,478,809	266,833,608	286,312,417
Deferred Inflows of Resources						
Unavailable revenue - property taxes	2,779,367	-	197,816	2,977,183	(2,977,183)	-
Unavailable revenue - transport and related	554,342	-	-	554,342	(554,342)	-
Unavailable revenue - conflagrations	1,019,264	-	-	1,019,264	(1,019,264)	-
Unavailable revenue - other	65,260	-	31,167	96,427	(96,427)	-
PERS RHIA OPEB related inflows	-	-	-	-	74,716	74,716
Single employer plan OPEB related inflows	-	-	-	-	191,836	191,836
Multiple employer cost-sharing plan OPEB related inflows	-	-	-	-	1,491,565	1,491,565
PERS Pension related deferred inflows	-	-	-	-	22,321,930	22,321,930
Total deferred inflows of resources	4,418,233	-	228,983	4,647,216	19,432,831	24,080,047

(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, 2025

	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds	Adjustments	Statement of Net Position
Fund balances:						
Non-spendable:						
Inventories	$ 959,622	$ -	$ -	$ 959,622	$ (959,622)	
Restricted:						
Capital projects	-	56,070,761	-	56,070,761	(56,070,761)	
Debt service	-	-	714,463	714,463	(714,463)	
Committed:						
MERRC	-	-	3,852,745	3,852,745	(3,852,745)	
Grants	-	-	99,879	99,879	(99,879)	
Capital purchases	7,314,499	-	-	7,314,499	(7,314,499)	
Volunteer LOSAP	487,226	-	-	487,226	(487,226)	
Assigned:						
Capital projects	-	-	5,357,435	5,357,435	(5,357,435)	
PERS reserve	3,000,000	-	-	3,000,000	(3,000,000)	
Subsequent year's budget: appropriation of fund balance	12,647,123	-	-	12,647,123	(12,647,123)	
Unassigned	44,990,829	-	-	44,990,829	(44,990,829)	
Total fund balances	69,399,299	56,070,761	10,024,522	135,494,582	$ (135,494,582)	
Total liabilities, deferred inflows, and fund balances	$ 92,350,283	$ 56,963,022	$ 10,307,302	$ 159,620,607		
Net Position:						
Net investment in capital assets						$ 110,548,795
Restricted for:						
Debt service						714,463
Net PERS RHIA OPEB asset						2,006,041
Unrestricted						(39,127,601)
Total net position						$ 74,141,698

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, 2025

	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds	Adjustments	Statement of Activities
Revenues						
Program Revenues:						
Charges for services	$ 6,265,428	$ -	$ -	$ 6,265,428	$ 1,192,768	$ 7,458,196
Program fees	-	-	286,136	286,136	(286,136)	-
Operating grants and contributions	232,336	-	199,231	431,567	1,307	432,874
General Revenues:						
Property taxes	149,024,413	-	10,040,567	159,064,980	332,768	159,397,748
Investment earnings	4,515,937	2,593,898	654,634	7,764,469	(4,149,859)	3,614,610
Insurance dividends and refunds	966,302	-	-	966,302	123,317	1,089,619
Gain on sale of capital assets	-	-	-	-	125,637	125,637
Miscellaneous	756,739	5,000	-	761,739	6,308	768,047
Total revenues	161,761,155	2,598,898	11,180,568	175,540,621	(2,653,890)	172,886,731
Expenditures/expenses						
Current:						
Public Safety	158,024,130	70,306	161,073	158,255,509	13,688,699	171,944,208
Debt service:						
Principal	513,880	-	7,770,000	8,283,880	(8,283,880)	-
Interest	50,573	-	2,488,422	2,538,995	(1,077,124)	1,461,871
Capital outlay	3,925,325	3,489,268	114,012	7,528,605	(7,528,605)	-
Total expenditures/expenses	162,513,908	3,559,574	10,533,507	176,606,989	(3,200,910)	173,406,079
Excess (deficiency) of revenues over (under) expenditures/expenses	(752,753)	(960,676)	647,061	(1,066,368)	547,020	(519,348)
Other Financing Sources (Uses)						
Transfers in	-	-	500,000	500,000	(500,000)	-
Transfers out	(500,000)	-	-	(500,000)	500,000	-
Proceeds on sale of surplus property	139,475	-	-	139,475	(139,475)	-
Subscription inception	495,204	-	-	495,204	(495,204)	-
Total other financing sources (uses)	134,679	-	500,000	634,679	(634,679)	-
Net change in fund balances/net position	(618,074)	(960,676)	1,147,061	(431,689)	(87,659)	(519,348)
Fund balances/net position						
Beginning of the year	70,017,373	57,031,437	8,877,461	135,926,271	(58,609,119)	77,317,152
Restatements	-	-	-	-	(2,656,106)	(2,656,106)
Beginning of the year, as restated	70,017,373	57,031,437	8,877,461	135,926,271	(61,265,225)	74,661,046
End of the year	$ 69,399,299	$ 56,070,761	$ 10,024,522	$ 135,494,582	$ (61,352,884)	$ 74,141,698

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

Tualatin Valley Fire and Rescue

General Fund

Statement of Revenues, Expenditures, Other Financing Sources (Uses), and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2025

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues				
Property taxes:				
Current year's levy	$ 147,815,537	$ 147,815,537	$ 147,646,671	$ (168,866)
Prior years' levies	1,200,000	1,200,000	1,066,734	(133,266)
Taxes in lieu of property taxes	117,504	117,504	126,779	9,275
Forest revenues	200,000	200,000	184,229	(15,771)
Interest on taxes	190,000	190,000	346,734	156,734
Investment earnings	1,750,000	1,750,000	3,745,883	1,995,883
Charges for services	5,027,326	5,027,326	6,191,419	1,164,093
Rental income	77,900	77,900	74,009	(3,891)
Grants and contributions	26,000	26,000	232,336	206,336
Insurance dividends and refunds	500,000	500,000	966,302	466,302
Miscellaneous	275,800	275,800	756,739	480,939
Total revenues	157,180,067	157,180,067	161,337,835	4,157,768
Expenditures				
Public Safety				
Command	4,359,719	4,359,719	4,056,394	303,325
Business	17,777,877	17,777,876	15,448,593	2,329,283
Finance	11,564,036	12,194,036	11,029,324	1,164,712
Operations	126,323,262	126,323,263	121,747,100	4,576,163
Community Services	7,228,840	7,228,840	6,385,343	843,497
Total Public Safety	167,253,734	167,883,734	158,666,754	9,216,980
Operating contingency	4,000,000	4,000,000	-	4,000,000
Total expenditures	171,253,734	171,883,734	158,666,754	13,216,980
Excess (deficiency) of revenues over (under) expenditures	(14,073,667)	(14,703,667)	2,671,081	17,374,748
Other Financing Sources (Uses)				
Transfers out	(2,011,000)	(2,011,000)	(2,010,144)	856
Proceeds on sale of surplus property	25,000	25,000	7,143	(17,857)
Subscription inception	-	630,000	495,204	(134,796)
Total other financing sources (uses)	(1,986,000)	(1,356,000)	(1,507,797)	(151,797)
Net change in fund balance	(16,059,667)	(16,059,667)	1,163,284	17,222,951
Fund balance, June 30, 2024	56,097,710	56,097,710	60,434,290	4,336,580
Fund balance, June 30, 2025	$ 40,038,043	$ 40,038,043	$ 61,597,574	$ 21,559,531

Reconciliation of Budgetary Fund Balance to GAAP Fund Balance

Fund Balance - budgetary basis	$ 61,597,574
Fund Balance - Apparatus Fund [1]	2,771,305
Fund Balance - Capital Improvements Fund [1]	4,543,194
Fund Balance - Volunteer LOSAP Fund [1]	487,226
Fund Balance - GAAP Basis	$ 69,399,299

[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, 2025

	Governmental Activities
	Internal Service Fund
Assets	
Current:	
Cash and cash equivalents	$ 599,023
Accounts receivable	22,849
Total assets	621,872
Liabilities	
Current:	
Accounts payable	38,411
Total liabilities	38,411
Net Position	
Unrestricted net position	$ 583,461

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, 2025

	Governmental Activities
	Internal Service Fund
Operating Revenue	
Insurance refunds	$ 146,080
Operating Expense	
Insurance claims	176,199
Operating loss	(30,119)
Nonoperating Revenue	
Investment earnings	28,683
Change in net position	(1,436)
Net position, June 30, 2024	584,897
Net position, June 30, 2025	$ 583,461

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, 2025

	Governmental Activities
	Internal Service Fund
Cash Flows From Operating Activities	
Received from insurance reimbursements and refunds	$ 138,116
Paid for insurance claims	(228,314)
Net cash from operating activities	(90,198)
Cash Flows From Investing Activities	
Interest received on investments	28,683
Net decrease in cash and cash equivalents	(61,515)
Cash and cash equivalents, June 30, 2024	660,538
Cash and cash equivalents, June 30, 2025	$ 599,023
Reconciliation of operating loss to net cash from operating activities	
Operating loss	$ (30,119)
Increase in accounts receivable	(7,964)
Decrease in accounts payable	(52,115)
Net cash from operating activities	$ (90,198)

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, 2025

	Custodial Fund
Assets	
Cash and cash equivalents	$ 169,536
Total assets	169,536
Liabilities	
Accounts payable	2,446
Total liabilities	2,446
Net Position	
Restricted for other organizations	167,090
Total net position	$ 167,090

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, 2025

	Custodial Fund
Additions	
Donations	$ 50,205
Total additions	50,205
Deductions	
Payments for fiduciary activities	46,162
Total deductions	46,162
Net increase in fiduciary net position	4,043
Net position - June 30, 2024	163,047
Net position - June 30, 2025	$ 167,090

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, 2025, 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 right-to-use 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 is 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 two budget amendments during the year ended June 30, 2025. 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, 2025, 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 – 50 years
Fire apparatus and other vehicles	5 – 25 years
Furniture, fixtures, and equipment	4 – 30 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 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 noncancellable period of the lease. The lease liability is reduced by principal payments made. The lease asset is measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. The lease asset is amortized on a straight-line basis over its useful life.

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

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

Lessor:
The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements for leases with an individual value of $100,000 or more. Lease

receivables are recognized as the net present value of the lease payments expected to be made during the lease term, which is the noncancellable period of the lease. The lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. The deferred inflow of resources is recognized as revenue over the life of the lease term.

To determine the 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, 2025 the District had no noncancellable lessor arrangements significant to the financial statements. Lease payments for lessor arrangements are recorded as rental revenue in the fund statements.

12. Subscription-based information technology arrangements

The District recognizes a subscription liability and an intangible right-to-use capital asset (known as a subscription asset) on the government-wide financial statements for a subscription-based information technology arrangement (SBITDA). The District's policy is to recognize 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 noncancellable 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. Compensated absences

The District recognizes a compensated absences liability for certain leaves, such as for vacation, personal, and sick leaves, that (a) has been earned for services previously rendered by employees, (b) accumulates, and (c) is more likely than not to be used as time off, paid in cash, or settled through noncash means. The liability for compensated absences is recognized in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability is due and payable. The liability for compensated absences includes certain salary-related payments that are directly and incrementally associated with payments for leave.

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	**$ 135,494,582**
Items that are not current financial resources or liabilities, and thus are not reported in the fund statements:	
Prepaid items	5,095,284
Other asset	691,636
Capital assets, net	116,662,128
Unavailable revenue	4,647,216
Lease payables	(1,697,540)
Subscription payables	(575,797)
Accrued compensated absences	(15,155,796)
Accrued interest payable on long-term debt	(230,846)
Long-term bonded debt	(53,271,992)
Deferred refunding charge on refunded bonds	670,772
Arbitrage rebate payable	(4,178,542)
Net PERS RHIA OPEB asset and related deferrals	2,339,067
Total single-employer OPEB liability and related deferrals	(650,690)
Total multiple-employer cost sharing OPEB liability and related deferrals	(20,331,225)
Total pension liability - Frozen Pension Plan	(94,975)
Total pension liability - LOSAP	(218,084)
Net pension liability - PERS	(135,910,154)
PERS Pension related outflows	62,595,123
PERS Pension related inflows	(22,321,930)
Net position of internal service funds combined with governmental activities	583,461
Net position, Statement of Net Position	**$ 74,141,698**

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	**$**	**(431,689)**
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 $6,701,206 less depreciation and amortization for the year ($7,166,045)		(464,839)
Net decrease in other assets		(81,672)
Net decrease in lease payables		419,876
Net increase in subscription payables		(176,282)
Property taxes not meeting the measurable and available criteria		332,768
Payments and amortization on long-term debt, change in accrued interest payable, and deferred refunding charge		8,847,124
Increase in arbitrage rebate payable		(4,178,542)
Net decrease in accrued compensated absences		92,904
Certain revenues recognized as measurable and available in the current year		907,939
Net decrease in net PERS RHIA OPEB asset and related deferrals		(8,716)
Net decrease in total single-employer OPEB liability and related deferrals		33,712
Net increase in total multiple-employer OPEB liability and related deferrals		(5,553,859)
Net decrease in total pension liability - Frozen Pension Plan		5,408
Net decrease in total pension liability - LOSAP		9,191
Net increase in prepaid assets		549,589
Net increase in net pension liability and related deferrals - PERS		(820,824)
Amounts considered current financial resources and reported in the funds, but which are not considered in the full accrual Statement of Activities:		
Decrease in net position of internal service fund combined with governmental activities		(1,436)
Net change in net position	**$**	**(519,348)**

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, 2025 was $90,282,827 and the total bank balance was $90,506,323. The District's demand deposits are insured up to $250,000 by the Federal Deposit Insurance Corporation (FDIC), with the exception of $1,418 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, 2025, 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	499,661
Deposits with financial institutions	90,282,827
State of Oregon Local Government Investment Pool	61,987,641
Investments:	
Mutual funds	519,598
Total cash, cash equivalents, and investments	**$ 153,290,327**

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

Cash, cash equivalents and investments	
Unrestricted:	
Cash and cash equivalents	$ 152,601,193
Investments	519,598
Primary government cash, cash equivalents, and investments	153,120,791
Fiduciary Funds	169,536
Total cash, cash equivalents, and investments	**$ 153,290,327**

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, 2025, 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, 2025, the District had the following investments organized using the segmented time distribution method as noted below:

		Investment Maturities	
Investment Type	Fair Value	< 12 months	12 - 18 months
Mutual funds	$ 519,598	$ -	$ -
Total Investments	$ 519,598	$ -	$ -

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, 2025.

LGIP Maturity Distribution of Portfolio			
	In Compliance	Objective	Actual
Percent of portfolio to mature within 93 days	Yes	> 50%	84.98%
Percent of portfolio to mature over 93 days and under one year	Yes	N/A	8.29%
Percent of portfolio to mature over one year	Yes	< 25%	6.73%
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, 2025, the District's investments were rated by Standard & Poor's rating agency as follows:

		Ratings as of Year End			
Investment Type	Fair Value	AA+	A-1+	A-1	Unrated
Mutual funds	$ 519,598	$ -	$ -	$ -	$ 519,598
Total Investments	$ 519,598	$ -	$ -	$ -	$ 519,598

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, 2025 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, 2025, the District had the following investments measured at fair value:

Investments Measured at Fair Value

	Total	Level 1	Level 2	Level 3
Mutual funds	$ 519,598	$ 519,598	$ -	$ -
Total investments at fair value	$ 519,598	$ 519,598	$ -	$ -

B. Receivables

Other accounts receivable of $2,539,830 includes ambulance transport service receivables of $916,272 derived from charges to insurance providers and patients of $2,526,081 net of allowances for contractual discounts of $1,392,571 and uncompensated care of $217,238 and are based on management's estimates of collectability.

The remainder of $1,623,558 is from conflagration response claims, hazardous materials response reimbursements, ambulance provider supplemental payments, ambulance response supplies reimbursement, maintenance assurance agreements, interest and other miscellaneous receivables and are deemed to be fully collectible as of June 30, 2025.

C. Capital assets

Capital Assets consist of the following at June 30, 2025:

	Balance June 30, 2024	Increases	Decreases	Balance June 30, 2025
Governmental activities:				
Non-depreciable capital assets:				
Land	$ 17,833,633	$ 316,215	$ -	$ 18,149,848
Other capital assets	231,000	-	-	231,000
Construction in progress	7,073,474	5,211,015	(1,295,960)	10,988,529
Total capital assets, not being depreciated	25,138,107	5,527,230	(1,295,960)	29,369,377
Capital assets, being depreciated:				
Buildings and improvements	119,649,082	92,000	(9,268)	119,731,814
Lease buildings	2,501,820	-	(224,918)	2,276,902
Fire apparatus and other vehicles	43,354,841	1,211,829	(721,125)	43,845,545
Furniture, fixtures, and equipment	11,620,993	962,854	(96,556)	12,487,291
Lease equipment	106,907	-	-	106,907
Information technology subscriptions	995,425	495,204	(433,901)	1,056,728
Total capital assets, being depreciated	178,229,068	2,761,887	(1,485,768)	179,505,187
Less accumulated depreciation and amortization for:				
Buildings and improvements	(47,131,888)	(4,043,951)	7,430	(51,168,409)
Lease buildings	(602,930)	(197,483)	-	(800,413)
Fire apparatus and other vehicles	(31,439,861)	(1,621,238)	655,930	(32,405,169)
Furniture, fixtures, and equipment	(6,511,485)	(952,686)	96,556	(7,367,615)
Lease equipment	(46,326)	(21,382)	-	(67,708)
Information technology subscriptions	(507,718)	(329,305)	433,901	(403,122)
Total accumulated depreciation and amortization	(86,240,208)	(7,166,045)	1,193,817	(92,212,436)
Total capital assets being depreciated and amortized , net	91,988,860	(4,404,158)	(291,951)	87,292,751
Total capital assets, net of depreciation and amortization	$ 117,126,967	$ 1,123,072	$ (1,587,911)	$ 116,662,128

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

D. Interfund receivables, payables, and transfers

Interfund receivables and payables at June 30, 2025 were as follows:

Interfund receivables/payables	Due To Other Funds	Due From Other Funds
General Fund	$ -	$ 106,813
Nonmajor Funds	22,782	-
Capital Projects Fund	84,031	-
	$ 106,813	$ 106,813

The interfund payable from the Grants fund of $22,782 to the General Fund is for reimbursable grant expenditures. The interfund payable from the Capital Projects Fund to the General Fund is for project management expenditures.

Interfund transfers for the year ended June 30, 2025 were as follows:

Interfund Transfers	Transfers In	Transfers Out
General Fund	$ -	$ 500,000
Nonmajor Funds	500,000	-
	$ 500,000	$ 500,000

The District made a transfer from the General Fund to the Property and Building Fund in the amount of $500,000 to accumulate resources for land acquisition and construction costs for new and existing facilities.

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*. During fiscal year 2025 the District exercised a renewal option to extend the agreement to May 31, 2035 which resulted in lower total future lease payments than anticipated at inception. Due to the modification the lease liability was remeasured resulting in an overall reduction of $224,918 to the expected long-term lease liability and corresponding lease asset. The District made total principal and interest payments of $92,164 and $21,372, respectively, for fiscal year 2025. As of June 30, 2025 the value of the lease liability was $1,010,443. The value of the right-to-use asset as of June 30, 2025 was $1,361,566 and had accumulated amortization of $454,126. The future principal and interest lease payments as of June 30, 2025, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 68,775	$ 45,048	$ 113,823
2027	75,494	41,744	117,238
2028	82,633	38,123	120,756
2029	90,215	34,163	124,378
2030	97,945	29,845	127,790
2031-2035	595,381	72,754	668,135
Totals	$ 1,010,443	$ 261,677	$ 1,272,120

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 $81,379 and $10,013, respectively, for the fiscal year 2025. As of June 30, 2025 the value of the lease liability was $646,122. The value of the right-to-use asset as of June 30, 2025 was $915,336 and had accumulated amortization of $346,287. The future principal and interest lease payments as of June 30, 2025, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 85,189	$ 8,808	$ 93,997
2027	89,125	7,547	96,672
2028	93,201	6,228	99,429
2029	97,419	4,849	102,268
2030	101,784	3,407	105,191
2031-2032	179,404	2,300	181,704
Totals	$ 646,122	$ 33,139	$ 679,261

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, 2025, the value of the lease liability was $40,975. The District made total principal and interest payments of $21,415 and $1,584, respectively, for fiscal year 2025. The value of the right-to-use asset as of June 30, 2025 was $106,907 and had accumulated amortization of $67,708. The future principal and interest lease payments as of June 30, 2025, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 22,069	$ 931	$ 23,000
2027	18,906	262	19,168
Totals	$ 40,975	$ 1,193	$ 42,168

F. Subscription-based information technology arrangements payable

For the year ended June 30, 2025, 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, 2023, the District had 14 months remaining on a subscription agreement for the right-to-use of Microsoft 365 software. 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, 2025, the value of the original subscription liability is $0. The value of the right-to-use subscription asset of $433,901 was fully amortized as of August 30, 2024 and removed from total right-to-use subscription assets.

In July 2024, the District entered into a new three-year term subscription arrangement of Microsoft 365 software effective September 1, 2024. A subscription liability was recorded in the amount of $495,204 using the District's estimated incremental borrowing rate of 3.79%. The District made total principal payments of $171,352 for fiscal year 2025. The value of the right-to-use subscription asset as of June 30, 2025 was $495,204 with accumulated amortization of $136,852. Future subscription payments as of June 30, 2025, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 158,863	$ 12,489	$ 171,352
2027	164,990	6,363	171,353
Totals	$ 323,853	$ 18,852	$ 342,705

On June 28, 2023 the District entered into a subscription arrangement for personnel performance management software effective July 1, 2023. The District's estimated incremental borrowing rate used in the liability calculation was 4.32%. On July 1, 2023 the District recorded an initial subscription liability of $190,966. The District made total principal and interest payments of $60,834 and $3,173 respectively, for fiscal year 2025. The value of the right-to-use subscription asset as of June 30, 2025 was $190,966 with accumulated amortization of $127,311. Future subscription payments as of June 30, 2025, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 66,837	$ 250	$ 67,087
Totals	$ 66,837	$ 250	$ 67,087

On June 28, 2023 the District entered into a subscription arrangement for geographic information system software effective January 1, 2024. The District's estimated incremental borrowing rate used in the liability calculation was 4.32%. The District recorded an initial subscription liability effective January 1, 2024 of $370,558. The District made total principal and interest payments of $86,736 and $10,406 respectively, for fiscal year 2025. The value of the right-to-use subscription asset as of June 30, 2025 was $370,558 with accumulated amortization of $138,959. Future subscription payments as of June 30, 2025, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 90,558	$ 6,515	$ 97,073
2027	94,549	2,452	97,001
Totals	$ 185,107	$ 8,967	$ 194,074

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, 2025 are as follows:

	Balance June 30, 2024	Increases	Decreases	Balance June 30, 2025
Software Investment Account	$ 773,308	$ -	$ (81,672)	$ 691,636

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 no outstanding bonds payable from the original issuances. Two advance refunding issuance exist from the original issuances, 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 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, 2025, that amount was $1,980 million. As of June 30, 2025, the total general obligation bonded debt was $45,990,000, plus unamortized premium of $7,281,992. The total outstanding debt applicable to the limit was $52.6 million which is 2.65% of the total debt limit.

Arbitrage

Internal Revenue Service (IRS) Internal Revenue Code (IRC) Section 148, "Arbitrage," establishes requirements related to investment earnings on tax-exempt bond proceeds. Under IRC Section 148, a portion of the investment earnings on the 2022 general obligation bond proceeds may be required to be rebated to the IRS in future periods, which would apply to the Capital Projects Fund. As of June 30, 2025, the District has recorded a rebatable arbitrage liability of $4,178,542 in the Statement of Net Position, based on an interim calculation performed after the three-year temporary period expired in March 2025. No filing or payment is currently due to the IRS; any future payment obligations will be determined in accordance with applicable IRS regulations and filing requirements.

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, 2025 are as follows:

Issue Date	Original Issue	Outstanding at June 30, 2024 (1)	Additions	Reductions	Outstanding at June 30, 2025	Due Within One Year	Interest Rates to Maturity
General Obligation Bonds:							
October 18, 2017	12,310,000	$ 4,830,000	$ -	$ (865,000)	$ 3,965,000	$ 915,000	4.00 - 5.00%
May 6, 2020	14,920,000	5,745,000	-	(680,000)	5,065,000	710,000	1.51 - 1.91%
March 15, 2022	49,730,000	43,185,000	-	(6,225,000)	36,960,000	5,155,000	5.00%
Total General Obligation Bonds		53,760,000	-	(7,770,000)	45,990,000	6,780,000	
Unamortized Premium:		8,443,851	-	(1,161,859)	7,281,992	1,161,859	
Lease Payables:		2,117,416	-	(419,876)	1,697,540	176,033	
Subscription Payables:		399,515	495,204	(318,922)	575,797	316,258	
Compensated Absences *:		15,248,700	-	(92,904)	15,155,796	14,045,943	
Total		$ 79,969,482	$ 495,204	$ (9,763,561)	$ 70,701,125	$ 22,480,093	

(1) Restated for implementation of GASB 101, *Compensated Absences*

* The change in compensated absences above is a net change for the year.

Outstanding bond issues are callable as follows:

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
2026	$ 6,780,000	$ 2,125,357	$ 8,905,357
2027	7,410,000	1,811,136	9,221,136
2028	8,075,000	1,475,710	9,550,710
2029	7,865,000	1,097,952	8,962,952
2030	8,580,000	731,179	9,311,179
2031	7,280,000	332,636	7,612,636
	$ 45,990,000	$ 7,573,970	$ 53,563,970

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, cyber attacks, and natural disasters. The District, through its General Fund, purchases commercial insurance. Deductibles are generally at $5,000 or less and natural disasters have a deductible of $50,000. Settled claims have not exceeded commercial coverage in any of the last three fiscal years. The District also annually purchases an industrial accident insurance policy covering its employees and volunteer firefighters.

B. Related party transactions

The District contracts with WCCCA, an ORS 190 entity, which is an intergovernmental entity created by agreement of local governments. WCCCA functions as a 911 dispatch agency. The District is a participating member of the agreement. During the year ended June 30, 2025, the District paid $2,735,074 to WCCCA for dispatch fees.

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

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 six percent of base wages. The District made a similar match of six percent for non-bargaining employees. The District's contribution during fiscal year 2025 was $3,825,291 of which $3,084,409 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, 2025.

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 $2,032,000 for fiscal year 2025.

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 $856,000 for fiscal year 2025.

Vertical housing

This 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 $140,000 from Washington county for fiscal year 2025.

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 $227,000 and $38,500 respectively from Washington and Clackamas Counties for fiscal year 2025.

Housing for Low Income Rental

Working in partnership with both the non-profit and the private sector, the Washington County Department of Housing Services (DHS) combines traditional housing programs with economic opportunity to encourage self-sufficiency, skill enhancement and independence. The DHS offers rental assistance to low income households through various federally funded programs, and also creates affordable housing opportunities in the community for low- and moderate-income households through a combination of creative financing and partnerships with public and private entities. The District's reduction in property tax revenues for housing for low income rental is estimated at $3,000 in Washington County. For qualifying programs in Yamhill County, the District's reduction in property tax revenue was approximately $7,400 for fiscal year 2025.

E. Employee retirement systems and pension plans

1. <u>Employee Retirement Pension Plan</u>

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 retired before January 1, 2025 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. Effective January 1, 2025 House Bill 4045 (2024) lowered normal retirement from age 60 to 55 for police and fire members with less than 25 years of retirement credit.

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, 2021 actuarial valuation, which became effective July 1, 2023. The District's rates for the year ended June 30, 2025 were 28.32% for PERS Tier 1/Tier 2; 18.81% for OPSRP – general service employees; and 23.60% 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, 2025 were approximately $20,548,000 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 contributed the 6% employee contribution pick-up for all non-bargaining unit personnel through December 31, 2024. Beginning January 1, 2025 all union and non-union covered employees pay the 6% employee contribution. Contributions for the year ended June 30, 2025 was approximately $4,639,000, of which $854,000 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, 2025, the District reported a liability of $135,910,154 for its proportionate share of the plan net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. 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, 2025 and 2024, the District's proportion was 0.61145755% and 0.72887258%, respectively.

For the year ended June 30, 2025, the District recognized pension expense of $20,395,965 for the defined benefit portion of the pension plan.

At June 30, 2025, 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	$ 8,051,419	$ 324,373
Changes in assumptions	13,664,451	17,506
Net difference between projected and actual earnings on pension plan investments	8,634,095	-
Changes in District's proportionate share	6,249,823	17,605,095
Differences between District contribution and proportionate share of system contributions	6,057,102	4,374,956
Subtotal	42,656,890	22,321,930
District contributions subsequent to the measurement date	19,938,233	-
Total	$ 62,595,123	$ 22,321,930

Deferred outflows of resources related to pensions of $19,938,233 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, 2026. 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:	
2026	$ (1,716,432)
2027	13,611,385
2028	6,392,991
2029	2,011,905
2030	35,111
Total	$ 20,334,960

Actuarial Valuations - The employer contribution rates effective July 1, 2023, through June 30, 2025, 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, 2022
• Measurement Date	June 30, 2024
• Experience Study	2022, published July 24, 2023
• 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 *Moro* 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 2022 Experience Study, which reviewed experience for the four-year period ended on December 31, 2022.

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	$ 214,392,747	$ 135,910,154	$ 70,177,147

Long-Term Expected Rate of Return – To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 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	20.0	-	30.0 %	25.0 %
Public Equity	22.5	-	32.5	27.5
Real Estate	7.5	-	17.5	12.5
Private Equity	15.0	-	27.5	20.0
Real Assets	2.5	-	10.0	7.5
Diversifying Strategies	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. Up to 5% of total Fund assests may be invested in it.

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	27.50 %	8.57 %	7.07 %	17.99 %
Private Equity	25.50	12.89	8.83	30.00
Core Fixed Income	25.00	4.59	4.50	4.22
Real Estate	12.25	6.90	5.83	15.13
Master Limited Partnerships	0.75	9.41	6.02	27.04
Infrastructure	1.50	7.88	6.51	17.11
Hedge Fund of Funds- Multistrategy	1.25	6.81	6.27	9.04
Hedge Fund Equity - Hedge	0.63	7.39	6.48	12.04
Hedge Fund - Macro	5.62	5.44	4.83	7.49
Assumed Inflation - Mean			2.35 %	1.41 %

[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 January 25, 2023.

[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.

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, 2024, 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 employer contributions and employer's proportionate share of system contributions

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, 2024 – 5.3 years
Year ended June 30, 2023 – 5.4 years
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

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, 2024, the date of the most recent actuarial valuation, the plan is maintained for one beneficiary of a retired employee who is 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, 2025, were determined using the date of the latest actuarial valuation of June 30, 2024. All benefits are vested. Significant actuarial assumptions used in the valuation included:

- A 3.93% interest discount based on the June 2024 rate in the 20-Year General Obligation Municipal Bond Index published by the Bond Buyer.
- Cost of Living Adjustments
  - 2.0% for the 1976 Plan Retirees; covering the current beneficiary.
- 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 3.93%. 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, 2025, the District recognized pension expense of $3,765 for the defined benefit pension plan.

The change in Total Pension Liability for the year ended June 30, 2025 is as follows:

Change in Total Pension Liability	6/30/2025
Total Pension Liability, June 30, 2024	$ 100,383
Benefit payments	(9,173)
Interest on Total Pension Liability	3,765
Change in Assumptions	-
Experience (Gain)/Loss	-
Total Pension Liability, June 30, 2025	$ 94,975

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 3.93%, 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 (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Total Pension Liability on 6/30/25	$ 102,086	$ 94,975	$ 88,670

3. <u>**Volunteer Length of Service Award Program (LOSAP)**</u>

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, 2024 actuarial valuation for both the 1992 and 1990 plans, the latest available, included:

- Interest discount rate of 3.93%
- 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 Pay 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 3.93%. 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, 2025, the District recognized pension expense of $8,583 for the LOSAP plan.

The change in Total Pension Liability for the year ended June 30, 2025 is as follows:

Change in Total LOSAP Pension Liability	6/30/2025
Total Pension Liability, June 30, 2024	$ 227,275
Benefit payments	(17,774)
Interest on Total Pension Liability	8,583
Change in assumptions	-
Experience (Gain)/Loss	-
Total Pension Liability, June 30, 2025	$ 218,084

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 3.93%, 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	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Total Pension Liability on 6/30/25	$ 238,733	$ 218,084	$ 200,460

<u>Aggregate Total/Net Pension Liability, Pension Expense, and Deferred Outflow/Inflow of Resources Related to Pensions:</u>

The following table presents the aggregate balance of the District's total/net pension liability, pension expense, and deferred inflow and outflows as of June 30, 2025:

Pension Plan	Deferred Outflows/(Inflows) of Resources	Total/Net Pension Liability	Pension (Benefit)/Expense
Employee Retirement Pension Plan (OPERS)	$ 40,273,193	$ 135,910,154	$ 20,395,965
Single-Employer Defined Benefit Pension Plan	-	94,975	3,765
Volunteer Length of Service Program (LOSAP)	-	218,084	8,583
Total	$ 40,273,193	$ 136,223,213	$ 20,408,313

The pension liabilities for governmental activities are incurred and liquidated by the General Fund in prior years.

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

1. <u>Health Benefit Retiree Program – Single Employer Plan</u>

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, 2024, the date of the most recent actuarial valuation, there were 93 active employees and 14 retirees and surviving spouses included in the Health Benefit Retiree Program.

Actuarial Assumptions and Other Inputs - The total OPEB liability of $685,940 and components of OPEB Expense as of June 30, 2025, were determined using the date of the latest actuarial valuation of June 30, 2024. Significant actuarial assumptions used in the valuation included:

- A 3.93% interest discount based on the June 2024 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, 2022 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, 2022 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, 2025, the District recognized OPEB expense of $57,745 for the OPEB plan.

Changes in Total OPEB Liability

Change in Total OPEB Liability		6/30/2025
Total OPEB Liability, June 30, 2024	$	727,824
Benefit payments		(91,457)
Service cost		22,767
Interest on Total OPEB Liability		26,806
Change in assumptions		-
Experience		-
Total OPEB Liability, June 30, 2025	$	685,940

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 3.93%, 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 (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Total OPEB Liability on 6/30/25	$ 728,477	$ 685,940	$ 646,565

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 6/30/25	$ 633,746	$ 685,940	$ 745,098

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

For the year ended June 30, 2025, the District recognized OPEB expense of $57,745. At June 30, 2025 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	$ 227,086	$ -
Changes of assumptions or other inputs	-	191,836
Total	$ 227,086	$ 191,836

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 June 30,	
2026	$ 8,172
2027	(10,133)
2028	(13,104)
2029	5,405
2030	8,042
All subsequent years	36,868
Total	$ 35,250

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, 2025, the Trust has twelve 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, Port of Portland Fire Department, Clatskanie Rural Fire Protection, Forest Grove Police Department, and McMinnville Fire District. 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, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Discount rate: 5.20%
- Inflation: 2.5%
- Salary increases: 3.5%
- Medical cost trend rates: 5% annual increase in all future years

The 5.20% discount rate assumption is the June 30, 2025 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, 2023 actuarial valuation of the Oregon Public Employees Retirement System for Police and Fire employees.

Changes in Total OPEB Liability

Change in Total OPEB Liability		6/30/2025
Total OPEB Liability, June 30, 2024	$	21,582,301
Benefit payments		(1,350,014)
Service cost		2,843,989
Interest		762,826
Change in assumptions		17,855,984
Experience		13,195,193
Changes in proprotionate share		(7,935)
Total OPEB Liability, June 30, 2025	$	54,882,344

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 or 1 percentage point higher than the current rate:

Sensitivity of Total OPEB Liability	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
Total OPEB Liability on 6/30/25	$ 60,210,803	$ 54,882,344	$ 50,091,539

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 6/30/25	$ 48,878,559	$ 54,882,344	$ 61,968,693

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

At June 30, 2025, the District reported a liability of $54,882,344 for its proportionate share of the total OPEB liability. At June 30, 2025 and June 30, 2024, the District's proportionate share was 82.3774% and 82.4077% respectively.

For the year ended June 30, 2025, the District recognized OPEB expense of $6,901,360. At June 30, 2025, 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	$ 14,121,880	$ 288,588
Changes of assumptions	21,621,121	961,924
Changes in proportionate share	299,683	241,053
	$ 36,042,684	$ 1,491,565

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 June 30,	
2026	$ 3,294,546
2027	3,294,546
2028	3,294,546
2029	3,294,546
2030	3,294,546
All subsequent years	18,078,389
Total	$ 34,551,119

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. As of June 30, 2024 the RHIA plan currently serves 816 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 period, there was no rate charged of PERS-covered salaries for Tier One and Tier Two members to fund the normal cost portion of RHIA benefits, as the program is fully funded.

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, 2024, the inactive RHIA plan participants currently receiving benefits totaled 39,325, and there were 31,243 active and 11,133 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 Assets, Liabilities, OPEB Expense, and Deferred Outflows and Inflows of Resources Related to OPEB

At June 30, 2025, the District reported an asset of $2,006,041 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2024, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2022. 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.

At June 30, 2025 and 2024, the District's proportion was 0.49665720% and 0.68596859%, respectively.

For the year ended June 30, 2025, the District recognized OPEB expense of $9,327. At June 30, 2025, 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	$ -	$ 39,235
Changes in assumptions	-	25,374
Net difference between projected and actual earnings on pension plan investments	56,641	-
Changes in District's proportionate share	351,101	10,107
Total	407,742	74,716
District contributions subsequent to the measurement date	-	-
	$ 407,742	$ 74,716

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 June 30,	
2026	$ 195,364
2027	100,480
2028	30,643
2029	6,539
2030	-
Total	$ 333,026

Actuarial Methods and Assumptions - the total OPEB asset in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

- Valuation Date — December 31, 2022
- Measurement Date — June 30, 2024
- Experience Study — 2022, published July 24, 2023
- 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: 25%; 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 2022 Experience Study, which reviewed experience for the four-year period ended on December 31, 2022.

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2024 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:

Sensitivity of Total OPEB Liability	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of net OPEB (asset) / liability	$ (1,856,984)	$ (2,006,041)	$ (2,134,382)

Long-Term Expected Rate of Return – To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 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	20.0	-	30.0 %	25.0 %
Public Equity	22.5	-	32.5	27.5
Real Estate	7.5	-	17.5	12.5
Private Equity	15.0	-	27.5	20.0
Real Assets	2.5	-	10.0	7.5
Diversifying Strategies	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. Up to 5% of total Fund assests may be invested in it.

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	27.50 %	8.57 %	7.07 %	17.99 %
Private Equity	25.50	12.89	8.83	30.00
Core Fixed Income	25.00	4.59	4.50	4.22
Real Estate	12.25	6.90	5.83	15.13
Master Limited Partnerships	0.75	9.41	6.02	27.04
Infrastructure	1.50	7.88	6.51	17.11
Hedge Fund of Funds- Multistrategy	1.25	6.81	6.27	9.04
Hedge Fund Equity - Hedge	0.63	7.39	6.48	12.04
Hedge Fund - Macro	5.62	5.44	4.83	7.49
Assumed Inflation - Mean			2.35 %	1.41 %

[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 January 25, 2023.

[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.

Aggregate Total OPEB Liability, OPEB Expense, and Deferred Outflow/Inflow of Resources Related to OPEB:

The following table presents the aggregate balance of the District's total OPEB liability, OPEB expense, and deferred inflow and outflows as of June 30, 2025:

OPEB Plan	Deferred Outflows/(Inflows) of Resources	Total OPEB (Asset)/Liability	OPEB (Benefit)/Expense
Health Benefit Retiree Program - Single Employer Plan	$ 35,250	$ 685,940	$ 57,745
Retiree Health Plan - Multiple Employer Cost-Sharing Plan	34,551,119	54,882,344	6,901,360
PERS Retirement Health Insurance Account (RHIA)	333,026	(2,006,041)	9,327
Total	$ 34,919,395	$ 53,562,243	$ 6,968,432

The OPEB liabilities for governmental activities are incurred and liquidated by the General Fund in prior years.

G. Commitments and contingencies

As of June 30, 2025, the District is committed under various accepted bid agreements and contracts for approximately $5.9 million for goods, services, response apparatus, and construction of facilities.

H. Adjustments to and restatement of beginning balances

During fiscal year 2025, the District implemented GASB Statement No. 101, *Compensated Absences*. As a result the District's liability for compensated absences now includes the value of accumulated sick leave earned by employees as of June 30, along with the value of accumulated vacation and personal leave that is more likely than not to be used or settled during or upon separation from employment. The effects of the change in accounting principle are summarized in the following table:

	Net Position 6/30/24 As previously reported	Change in Accounting Principle GASB 101, *Compensated Absences*	Net Position 6/30/2024 As restated
Government-wide			
Governmental activities	$ 77,317,152	$ (2,656,106)	$ 74,661,046

Required Supplementary Information

Tualatin Valley
Fire & Rescue

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]
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
2024	0.72887258	136,522,835	78,259,749	174.45	81.70
2025	0.61145755	135,910,154	83,075,833	163.60	79.30

[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
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
2024	20,312,532	20,312,532	-	83,075,833	24.45
2025	19,938,233	19,938,233	-	86,284,518	23.11

(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]

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[2]	TPL as a Percentage of Covered Payroll
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
2024	100,383	N/A	N/A
2025	94,975	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
2016	$ 2,339,780	$ -	$ 69,310	$ (347,682)	$ (46,913)	$ (354,931)	$ 1,659,564
2017	1,659,564	-	47,870	(327,270)	-	-	1,380,164
2018	1,380,164	-	46,941	(334,431)	(98,845)	96,001	1,089,830
2019	1,089,830	-	37,357	(249,044)	-	-	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
2024	185,747	-	6,399	(9,945)	(2,940)	(78,878)	100,383
2025	100,383	-	3,765	(9,173)	-	-	94,975

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

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

Tualatin Valley Fire and Rescue

LOSAP Plan[1]

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[2]	TPL as a Percentage of Covered Payroll
2016	$ 180,853	N/A	N/A
2017 [3]	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
2024	227,275	N/A	N/A
2025	218,084	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
2016	$ 136,278	$ -	$ 4,212	$ (9,300)	$ 40,688	$ 8,975	$ 180,853
2017	180,853	-	5,640	(9,222)	-	-	177,271
2018 [3]	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
2024	244,192	-	8,318	(18,453)	(8,217)	1,435	227,275
2025	227,275	-	8,583	(17,774)	-	-	218,084

(1) There are no assets accumulated in a trust to pay related benefits for this plan.
(2) The LOSAP plans are closed plans; therefore there is no related covered payroll.
(3) Restated in 2018 to include the merged District 2 as part of the beginning balance of FY 2018.

Tualatin Valley Fire and Rescue

Schedule of the District's Total OPEB Liability [(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
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%
2024	727,824	10,610,903	6.9%
2025	685,940	10,929,230	6.3%

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
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
2024	638,568	22,104	21,012	(90,002)	(11,084)	147,226	727,824
2025	727,824	22,767	26,806	(91,457)	-	-	685,940

[(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
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
2024	82.4077	21,582,301	72,482,944	29.78
2025	82.3774	54,882,344	74,267,231	73.90

Schedule of Changes in Total OPEB Liability

Fiscal Year Ended June 30,	TOL Beginning Balance	Service Costs	Interest on the TOL	Benefit Payments	Chnages of Benefit Terms	Changes of Assumptions	Change of Share	Experience (Gain) or Loss	TOL Ending Balance
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
2024	20,559,168	1,172,375	734,283	(883,525)	-	-	-	-	21,582,301
2025	21,582,301	2,843,989	762,826	(1,350,014)	-	17,855,984	(7,935)	13,195,193	54,882,344

(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.

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]
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
2024	0.68596859	(2,511,783)	78,259,749	(3.21)	201.60
2025	0.49665720	(2,006,041)	83,075,833	(2.41)	220.60

[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
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
2024	484	484	-	83,075,833	0.00
2025	-	-	-	86,284,518	-

[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, 2022 actuarial valuation which was used in the pension calculations and amounts reported for the fiscal year ended June 30, 2025 are described below. Additional detail and a comprehensive list of changes in methods and assumptions since the December 31, 2021 actuarial valuation can be found in the system-wide report at: PERS Actuarial Valuation.

Changes in Actuarial Methods and Allocation Procedures

There were no key changes implemented with the December 31, 2022 actuarial valuation.

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, 2024
- Actuarial determined contribution method: Pay-as-you-go
- Inflation (post retirement COLA): 2.0%
- Discount rate: 3.93%
- 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, 2024
- Actuarial determined contribution method: Pay-as-you-go
- Actuarial cost method: Entry age normal
- Inflation (post retirement COLA): 0.0%
- Discount rate: 3.93%
- 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, 2024
• Actuarial method:	Entry age normal level percent of pay
• Inflation:	2.5%
• Discount rate:	3.93%
• Medical insurance premium claims trend:	5% annual increases
• Retirement rates:	PERS valuation for General Service and Public Safety employees dated December 31, 2022

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, 2025
• Actuarial method:	Entry age normal level percent of pay
• Inflation:	2.5%
• Discount rate:	5.20%
• 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:	75% of direct subsidy eligible employees and 50% of self-pay 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, 2022 actuarial valuation.

Changes of Economic Assumptions
Discount Rate – The discount rate used to measure the total OPEB liability at June 30, 2025 was 6.90%.

Changes in Demographic Assumptions
The healthcare participation assumption rate of healthy retirees was 25% with the December 31, 2022 actuarial valuation, a decline of 2.5% from the prior 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, 2025

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Investment earnings	$ 1,000,000	$ 2,593,898	$ 1,593,898
Miscellaneous	-	5,000	5,000
Total revenues	1,000,000	2,598,898	1,598,898
Expenditures			
Capital construction and land	54,603,500	3,559,574	51,043,926
Operating contingency	2,721,500	-	2,721,500
Total expenditures	57,325,000	3,559,574	53,765,426
Excess (deficiency) of revenues over (under) expenditures	(56,325,000)	(960,676)	55,364,324
Fund balance - June 30, 2024	56,325,000	57,031,437	706,437
Fund balance - June 30, 2025	$ -	$ 56,070,761	$ 56,070,761

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, 2025

	Special Revenue		*Debt Service*	*Capital Projects*	
	MERRC Fund	Grants Fund	Debt Service Fund	Property and Building Fund	Total Nonmajor Governmental Funds
Assets					
Cash and cash equivalents	$ 3,882,922	$ 92,332	$ 683,294	$ 5,312,358	$ 9,970,906
Receivables:					
Property taxes receivable	-	-	228,985	-	228,985
Accounts receivable	-	62,334	-	45,077	107,411
Total assets	$ 3,882,922	$ 154,666	$ 912,279	$ 5,357,435	$ 10,307,302
Liabilities					
Accounts payable	$ 30,177	$ 838	$ -	$ -	$ 31,015
Due to other funds	-	22,782	-	-	22,782
Total liabilities	30,177	23,620	-	-	53,797
Deferred Inflows of Resources					
Unavailable revenue - property taxes	-	-	197,816	-	197,816
Unavailable revenue - other	-	31,167	-	-	31,167
Total deferred inflows of resources	-	31,167	197,816	-	228,983
Fund Balances					
Restricted	-	-	714,463	-	714,463
Committed	3,852,745	99,879	-	-	3,952,624
Assigned	-	-	-	5,357,435	5,357,435
Total fund balances	3,852,745	99,879	714,463	5,357,435	10,024,522
Total liabilities, deferred inflows of resources, and fund balances	$ 3,882,922	$ 154,666	$ 912,279	$ 5,357,435	$ 10,307,302

Tualatin Valley Fire and Rescue

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

Nonmajor Governmental Funds

For the Year Ended June 30, 2025

	Special Revenue		*Debt Service*	*Capital Projects*	
	MERRC Fund	Grants Fund	Debt Service Fund	Property and Building Fund	Total Nonmajor Governmental Funds
Revenues					
Property taxes	$ -	$ -	$ 10,040,567	$ -	$ 10,040,567
Investment earnings	174,502	-	251,505	228,627	654,634
Program fees	286,136	-	-	-	286,136
Operating grants and contributions	-	199,231	-	-	199,231
Total revenues	460,638	199,231	10,292,072	228,627	11,180,568
Expenditures					
Current:					
Public safety:					
Personnel services	-	2,125	-	-	2,125
Materials and services	-	158,948	-	-	158,948
Capital outlay	82,605	-	-	31,407	114,012
Debt service:					
Principal	-	-	7,770,000	-	7,770,000
Interest	-	-	2,488,422	-	2,488,422
Total expenditures	82,605	161,073	10,258,422	31,407	10,533,507
Excess (deficiency) of revenues over (under) expenditures	378,033	38,158	33,650	197,220	647,061
Other Financing Sources					
Transfers in	-	-	-	500,000	500,000
Total financing sources (uses)	-	-	-	500,000	500,000
Net change in fund balances	378,033	38,158	33,650	697,220	1,147,061
Fund balances - June 30, 2024	3,474,712	61,721	680,813	4,660,215	8,877,461
Fund balances - June 30, 2025	$ 3,852,745	$ 99,879	$ 714,463	$ 5,357,435	$ 10,024,522

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, 2025

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Program fees	$ 250,000	$ 286,136	$ 36,136
Investment earnings	90,000	174,502	84,502
Total revenues	340,000	460,638	120,638
Expenditures			
Communications	400,000	82,605	317,395
Operating contingency	500,000	-	500,000
Total expenditures	900,000	82,605	817,395
Excess (deficiency) of revenues over (under) expenditures	(560,000)	378,033	938,033
Fund balance - June 30, 2024	3,200,000	3,474,712	274,712
Fund balance - June 30, 2025	$ 2,640,000	$ 3,852,745	$ 1,212,745

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, 2025

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues				
Operating grants and contributions	$ 115,000	$ 329,000	$ 199,231	$ (129,769)
Expenditures				
Grants	205,000	419,000	161,073	257,927
Total expenditures	205,000	419,000	161,073	257,927
Excess (deficiency) of revenues over (under) expenditures	(90,000)	(90,000)	38,158	128,158
Fund balance - June 30, 2024	90,000	90,000	61,721	(28,279)
Fund balance - June 30, 2025	$ -	$ -	$ 99,879	$ 99,879

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, 2025

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Property taxes	$ 9,993,350	$ 10,031,973	$ 38,623
Taxes in lieu	3,500	8,594	5,094
Investment earnings	77,500	251,505	174,005
Total revenues	10,074,350	10,292,072	217,722
Expenditures			
Debt service:			
Principal	7,770,000	7,770,000	-
Interest	2,488,425	2,488,422	3
Total expenditures	10,258,425	10,258,422	3
Excess (deficiency) of revenues over (under) expenditures	(184,075)	33,650	217,725
Fund balance - June 30, 2024	300,000	680,813	380,813
Fund balance - June 30, 2025	$ 115,925	$ 714,463	$ 598,538

Tualatin Valley Fire and Rescue

Property and Building Fund

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

For the Year Ended June 30, 2025

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Investment earnings	$ 100,000	$ 228,627	$ 128,627
Total revenues	100,000	228,627	128,627
Expenditures			
Capital construction and land	2,331,000	31,407	2,299,593
Operating contingency	900,000	-	900,000
Total expenditures	3,231,000	31,407	3,199,593
Excess (deficiency) of revenues over (under) expenditures	(3,131,000)	197,220	3,328,220
Other Financing Sources			
Transfers in	500,000	500,000	-
Total other financing sources	500,000	500,000	-
Net change in fund balance	(2,631,000)	697,220	3,328,220
Fund balance - June 30, 2024	4,500,000	4,660,215	160,215
Fund balance - June 30, 2025	$ 1,869,000	$ 5,357,435	$ 3,488,435

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, 2025

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Investment earnings	$ 7,500	$ 28,683	$ 21,183
Insurance refunds	-	146,080	146,080
Total revenues	7,500	174,763	167,263
Expenditures			
Insurance	592,500	176,199	416,301
Excess (deficiency) of revenues over (under) expenditures	(585,000)	(1,436)	583,564
Fund balance - June 30, 2024	585,000	584,897	(103)
Fund balance - June 30, 2025	$ -	$ 583,461	$ 583,461

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, 2025

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Donations	$ 35,000	$ 50,205	$ 15,205
Expenditures			
Materials and services	200,750	46,162	154,588
Excess (deficiency) of revenues over (under) expenditures	(165,750)	4,043	169,793
Fund balance - June 30, 2024	165,750	163,047	(2,703)
Fund balance - June 30, 2025	$ -	$ 167,090	$ 167,090

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.

Combining Balance Sheet

General Fund

June 30, 2025

	General Fund	Apparatus and Vehicle Fund	Capital Improvements Fund	Pension Fund	Volunteer LOSAP Fund	Eliminations	Total General Fund
Assets							
Cash and cash equivalents	$ 77,583,287	$ 3,016,604	$ 4,661,841	$ -	$ 1,418	$ -	$ 85,263,150
Investments	-	-	-	-	519,598	-	519,598
Receivables:							
Property taxes receivable	3,238,867	-	-	-	-	-	3,238,867
Forest revenue receivable	47,571	-	-	-	-	-	47,571
Accounts receivable (net of allowances)	2,214,662	-	-	-	-	-	2,214,662
Due from other funds	140,603	-	-	-	-	(33,790)	106,813
Supplies inventory	959,622	-	-	-	-	-	959,622
Total assets	$ 84,184,612	$ 3,016,604	$ 4,661,841	$ -	$ 521,016	$ (33,790)	$ 92,350,283
Liabilities							
Accounts payable	$ 4,968,864	$ 245,299	$ 118,647	$ -	$ -	$ -	$ 5,332,810
Due to other funds	-	-	-	-	33,790	(33,790)	-
Accrued salaries and benefits payable	13,199,941	-	-	-	-	-	13,199,941
Total liabilities	18,168,805	245,299	118,647	-	33,790	(33,790)	18,532,751
Deferred Inflows of Resources							
Unavailable revenue - property taxes	2,779,367	-	-	-	-	-	2,779,367
Unavailable revenue - transport and related	554,342	-	-	-	-	-	554,342
Unavailable revenue - conflagrations	1,019,264	-	-	-	-	-	1,019,264
Unavailable revenue - other	65,260	-	-	-	-	-	65,260
Total deferred inflows of resources	4,418,233	-	-	-	-	-	4,418,233
Fund Balances							
Nonspendable	959,622	-	-	-	-	-	959,622
Committed	-	2,771,305	4,543,194	-	487,226	-	7,801,725
Assigned	15,647,123	-	-	-	-	-	15,647,123
Unassigned	44,990,829	-	-	-	-	-	44,990,829
Total fund balances	61,597,574	2,771,305	4,543,194	-	487,226	-	69,399,299
Total liabilities, deferred inflows of resources, and fund balances	$ 84,184,612	$ 3,016,604	$ 4,661,841	$ -	$ 521,016	$ (33,790)	$ 92,350,283

Tualatin Valley Fire and Rescue

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

General Fund

For the Year Ended June 30, 2025

	General Fund	Apparatus and Vehicle Fund	Capital Improvements Fund	Pension Fund	Volunteer LOSAP Fund	Eliminations	Total General Fund
Revenues							
Program revenues:							
Charges for services	$ 6,265,428	$ -	$ -	$ -	$ -	$ -	$ 6,265,428
Grants and contributions	232,336	-	-	-	-	-	232,336
General revenues:							
Property taxes	149,024,413	-	-	-	-	-	149,024,413
Investment earnings	4,092,617	147,748	222,569	-	53,003	-	4,515,937
Insurance dividends and refunds	966,302	-	-	-	-	-	966,302
Miscellaneous	756,739	-	-	-	-	-	756,739
Total revenues	161,337,835	147,748	222,569	-	53,003	-	161,761,155
Expenditures							
Current:							
Public safety:							
Personnel services	143,011,189	-	-	10,144	18,300	-	143,039,633
Materials and services	14,595,908	-	388,589	-	-	-	14,984,497
Debt service:							
Principal	513,880	-	-	-	-	-	513,880
Interest	50,573	-	-	-	-	-	50,573
Capital outlay	495,204	2,258,344	1,171,777	-	-	-	3,925,325
Total expenditures	158,666,754	2,258,344	1,560,366	10,144	18,300	-	162,513,908
Excess (deficiency) of revenues over (under) expenditures	2,671,081	(2,110,596)	(1,337,797)	(10,144)	34,703	-	(752,753)
Other Financing Sources (Uses)							
Transfers in	-	750,000	750,000	10,144	-	(1,510,144)	-
Transfers out	(2,010,144)	-	-	-	-	1,510,144	(500,000)
Proceeds on sale of surplus property	7,143	5,138	127,194	-	-	-	139,475
Subscription inception	495,204	-	-	-	-	-	495,204
Total Other Financing Sources (Uses)	(1,507,797)	755,138	877,194	10,144	-	-	134,679
Net change in fund balances	1,163,284	(1,355,458)	(460,603)	-	34,703	-	(618,074)
Fund balances - June 30, 2024	60,434,290	4,126,763	5,003,797	-	452,523	-	70,017,373
Fund balances - June 30, 2025	$ 61,597,574	$ 2,771,305	$ 4,543,194	$ -	$ 487,226	$ -	$ 69,399,299

Tualatin Valley Fire and Rescue

Apparatus and Vehicle Fund

Schedule of Revenues, Expenditures, Other Financing Sources (Uses), and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2025

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Investment earnings	$ 100,000	$ 147,748	$ 47,748
Total revenues	100,000	147,748	47,748
Expenditures			
Apparatus and vehicles	3,836,900	2,258,344	1,578,556
Operating contingency	500,000	-	500,000
Total expenditures	4,336,900	2,258,344	2,078,556
Excess (deficiency) of revenues over (under) expenditures	(4,236,900)	(2,110,596)	2,126,304
Other Financing Sources			
Transfers in	750,000	750,000	-
Proceeds on sale of surplus property	-	5,138	5,138
Total other financing sources	750,000	755,138	5,138
Net change in fund balance	(3,486,900)	(1,355,458)	2,131,442
Fund balance - June 30, 2024	3,926,000	4,126,763	200,763
Fund balance - June 30, 2025	$ 439,100	$ 2,771,305	$ 2,332,205

Tualatin Valley Fire and Rescue

Capital Improvements Fund

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

For the Year Ended June 30, 2025

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Investment earnings	$ 125,000	$ 222,569	$ 97,569
Total revenues	125,000	222,569	97,569
Expenditures			
Capital improvements	2,533,683	1,560,366	973,317
Operating contingency	1,000,000	-	1,000,000
Total expenditures	3,533,683	1,560,366	1,973,317
Excess (deficiency) of revenues over (under) expenditures	(3,408,683)	(1,337,797)	2,070,886
Other Financing Sources			
Transfers in	750,000	750,000	-
Proceeds on sale of surplus property	-	127,194	127,194
Total other financing sources	750,000	877,194	127,194
Net change in fund balance	(2,658,683)	(460,603)	2,198,080
Fund balance - June 30, 2024	5,493,000	5,003,797	(489,203)
Fund balance - June 30, 2025	$ 2,834,317	$ 4,543,194	$ 1,708,877

Tualatin Valley Fire and Rescue

Pension Fund

Schedule of Revenues, Expenditures, Other Financing Sources (Uses), and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2025

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Expenditures			
Personnel services	$ 11,000	$ 10,144	$ 856
Excess (deficiency) of revenues over (under) expenditures	(11,000)	(10,144)	856
Other Financing Sources			
Transfers in	11,000	10,144	(856)
Total other financing sources	11,000	10,144	(856)
Net change in fund balance	-	-	-
Fund balance - June 30, 2024	-	-	-
Fund balance - June 30, 2025	$ -	$ -	$ -

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, 2025

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Investment earnings	$ 15,150	$ 53,003	$ 37,853
Expenditures			
Personnel services	440,150	18,300	421,850
Excess (deficiency) of revenues over (under) expenditures	(425,000)	34,703	459,703
Fund balance - June 30, 2024	425,000	452,523	27,523
Fund balance - June 30, 2025	$ -	$ 487,226	$ 487,226

Tualatin Valley Fire and Rescue

Schedule of Property Tax Transactions and Outstanding Balances

for the fiscal year ended June 30, 2025

	Taxes Uncollected June 30, 2024	Add Levy as Extended by Assessor	Add (Deduct) Discounts Allowed	Add Interest Received	(Deduct) Cancellations and Adjustments	(Deduct) Collections	Taxes Uncollected June 30, 2025
2024-25	$	$ 164,809,697	$ (4,411,621)	$ 14,444	$ (1,173,204)	$ (157,211,697)	$ 2,027,619
2023-24	1,909,032	-	5,087	32,041	(265,781)	(947,677)	732,702
2022-23	594,712	-	545	16,590	20,874	(273,489)	359,232
2021-22	307,924	-	120	17,377	8,600	(184,310)	149,711
2020-21	128,838	-	43	10,343	(7,713)	(80,116)	51,395
2019-20	52,578	-	22	2,426	(2,540)	(12,072)	40,414
2018-19	121,804	-	(21)	3,840	(3,022)	(15,822)	106,779
Total prior	3,114,888	-	5,796	82,617	(249,582)	(1,513,486)	1,440,233
Total	$ 3,114,888	$ 164,809,697	$ (4,405,825)	$ 97,061	$ (1,422,786)	$ (158,725,183)	$ 3,467,852

	General Fund	Debt Service Fund	Total
Reconciliation to tax revenues on basic financial statements:			
Property tax collections above	$ 148,694,069	$ 10,031,114	$ 158,725,183
Property taxes susceptible to accrual at June 30, 2025	459,500	31,168	490,668
Property taxes susceptible to accrual at June 30, 2024	(440,164)	(30,309)	(470,473)
Taxes in lieu of property taxes	126,779	8,594	135,373
Forest revenues	184,229	-	184,229
Tax revenues	$ 149,024,413	$ 10,040,567	$ 159,064,980

	Property Taxes		Taxes in Lieu of Property Taxes	Forest Revenues	Total	Taxes Uncollected June 30, 2025
	Current Levy	Prior Years				
DISTRIBUTED AS FOLLOWS:						
General Fund	$ 147,646,671	$ 1,066,734	$ 126,779	$ 184,229	$ 149,024,413	$ 3,238,867
Debt Service Fund	9,958,739	73,234	8,594	-	10,040,567	228,985
Total	$ 157,605,410	$ 1,139,968	$ 135,373	$ 184,229	$ 159,064,980	$ 3,467,852

TVF&R

Tualatin Valley
Fire & Rescue

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**

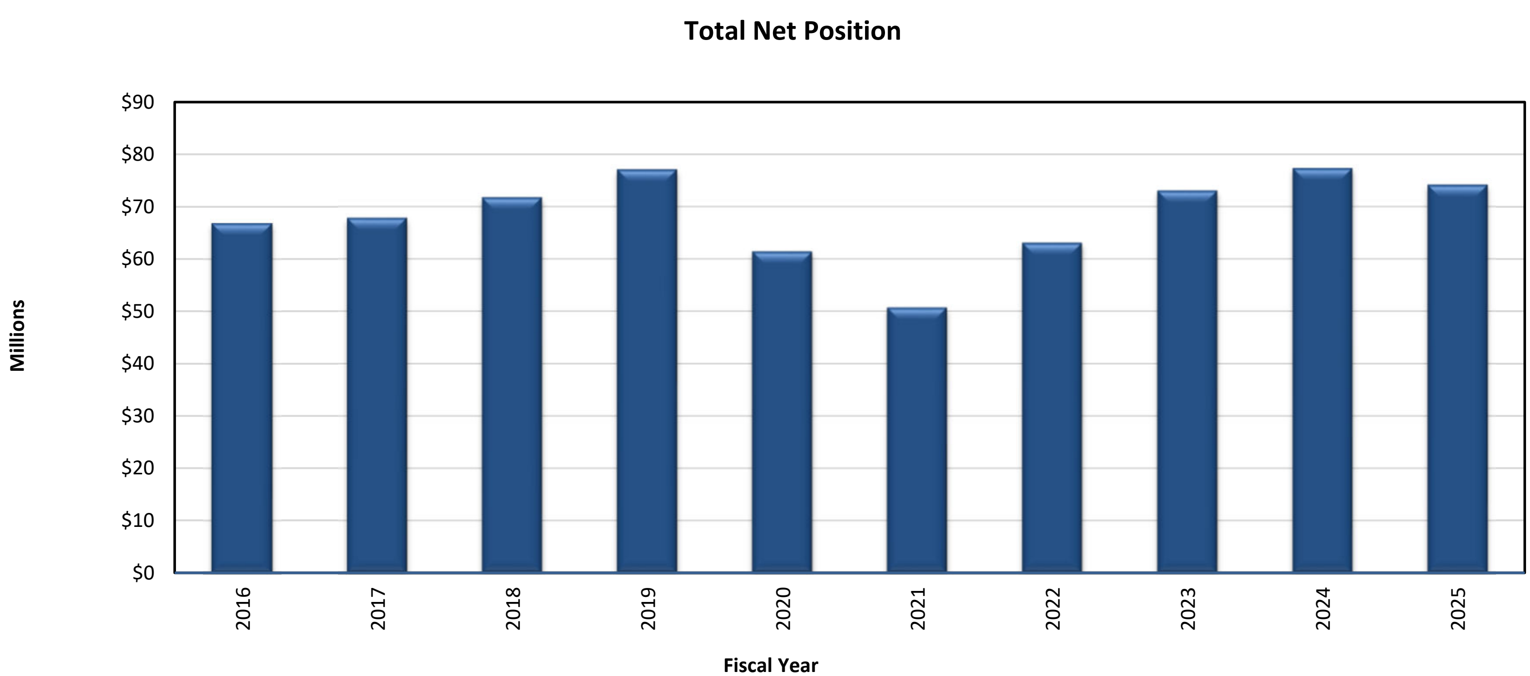
Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant years.

Tualatin Valley Fire and Rescue

Net Position by Component

Last Ten Fiscal Years
(accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities:										
Net investment in capital assets	$ 33,700,603	$ 44,792,301	$ 60,617,099	$ 68,729,108	$ 81,401,630	$ 93,749,164	$ 101,010,673	$ 102,335,367	$ 105,521,427	$ 110,548,795
Restricted	1,432,449	1,274,655	374,852	1,259,629	1,581,069	957,078	2,461,862	2,907,779	3,192,596	2,720,504
Unrestricted	31,728,130	21,779,615	10,796,556	7,116,549	(21,560,353)	(44,016,326)	(40,410,739)	(32,218,556)	(31,396,871)	(39,127,601)
Total net position	$ 66,861,182	$ 67,846,571	$ 71,788,507	$ 77,105,286	$ 61,422,346	$ 50,689,916	$ 63,061,796	$ 73,024,590	$ 77,317,152	$ 74,141,698



Tualatin Valley Fire and Rescue

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental Activities:										
Public safety - fire protection	$ 121,399,775	$ 116,142,631	$ 121,283,168	$ 134,235,643	$ 155,501,062	$ 160,985,973	$ 138,388,012	$ 148,700,570	$ 164,597,046	$ 171,944,208
Interest on long-term debt	2,037,260	1,904,040	1,323,598	1,545,144	423,008	819,514	1,100,781	1,947,961	1,717,107	1,461,871
Total primary government expenses	$ 123,437,035	$ 118,046,671	$ 122,606,766	$ 135,780,787	$ 155,924,070	$ 161,805,487	$ 139,488,793	$ 150,648,531	$ 166,314,153	$ 173,406,079
Program Revenues										
Governmental Activities:										
Charges for services [(1), (2)]	$ 2,823,408	$ 12,175,225	$ 10,750,717	$ 5,525,098	$ 4,938,862	$ 8,738,228	$ 5,872,742	$ 5,974,057	$ 5,991,650	$ 7,458,196
Operating grants and contributions	384,686	710,090	1,473,000	957,222	4,414,344	2,893,180	402,535	152,890	193,456	432,874
Capital grants and contributions	-	2,823,077	108,161	-	774,417	-	1,368,041	-	-	-
Total primary government program revenues	$ 3,208,094	$ 15,708,392	$ 12,331,878	$ 6,482,320	$ 10,127,623	$ 11,631,408	$ 7,643,318	$ 6,126,947	$ 6,185,106	$ 7,891,070
Net (Expense)/Revenue										
Governmental Activities	$ (120,228,941)	$ (102,338,279)	$ (110,274,888)	$ (129,298,467)	$ (145,796,447)	$ (150,174,079)	$ (131,845,475)	$ (144,521,584)	$ (160,129,047)	$ (165,515,009)
Total Net (Expense)/Revenue	$ (120,228,941)	$ (102,338,279)	$ (110,274,888)	$ (129,298,467)	$ (145,796,447)	$ (150,174,079)	$ (131,845,475)	$ (144,521,584)	$ (160,129,047)	$ (165,515,009)
General Revenues										
Property taxes [(2)]	$ 100,265,764	$ 103,767,491	$ 111,451,601	$ 122,384,122	$ 127,879,924	$ 137,046,296	$ 142,036,014	$ 147,683,334	$ 154,302,029	$ 159,397,748
Investment earnings	349,882	620,167	972,980	1,577,729	1,360,504	653,058	480,145	5,220,425	8,354,202	3,614,610
Insurance dividends and refunds	443,628	424,645	535,576	566,185	561,902	1,187,165	882,517	929,375	1,342,165	1,089,619
Special item	-	-	-	7,873,937	-	-	-	-	-	-
Gain on sale of capital assets	503,754	996,434	87,801	-	-	80,054	497,975	1,823	35,791	125,637
Miscellaneous	114,426	176,892	310,252	505,740	311,177	475,076	320,704	649,421	387,422	768,047
Total primary government general revenue	$ 101,677,454	$ 105,985,629	$ 113,358,210	$ 132,907,713	$ 130,113,507	$ 139,441,649	$ 144,217,355	$ 154,484,378	$ 164,421,609	$ 164,995,661
Change in Net Position										
Governmental Activities	$ (18,551,487)	$ 3,647,350	$ 3,083,322	$ 3,609,246	$ (15,682,940)	$ (10,732,430)	$ 12,371,880	$ 9,962,794	$ 4,292,562	$ (519,348)
Total Change in Net Position	$ (18,551,487)	$ 3,647,350	$ 3,083,322	$ 3,609,246	$ (15,682,940)	$ (10,732,430)	$ 12,371,880	$ 9,962,794	$ 4,292,562	$ (519,348)

[(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

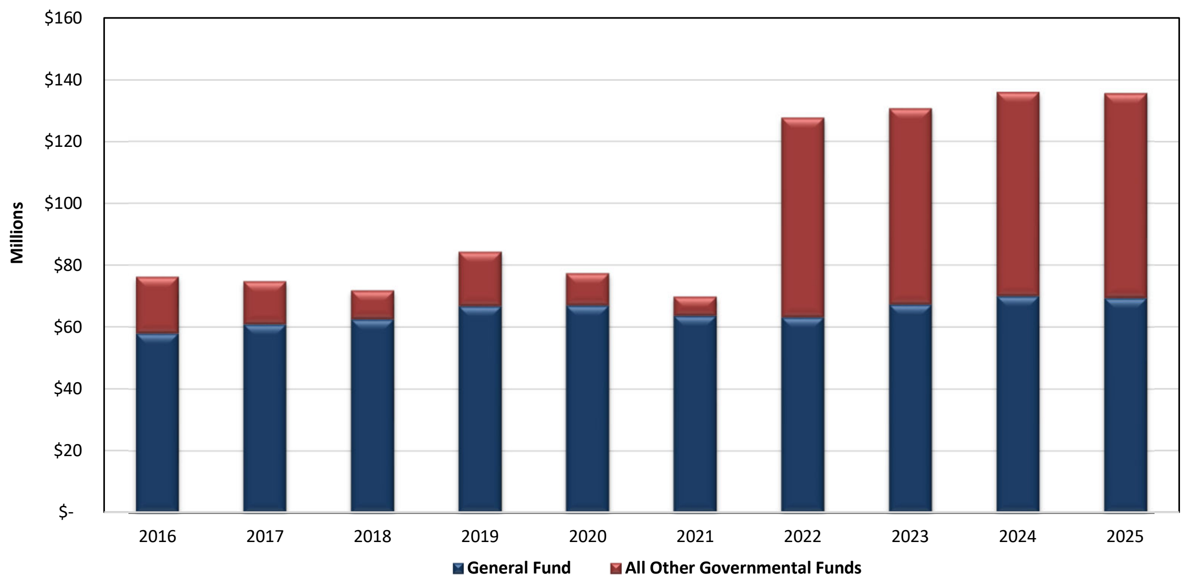
Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Non-spendable	$ 318,368	$ 375,861	$ 434,579	$ 410,673	$ 436,012	$ 505,026	$ 637,881	$ 842,550	$ 908,470	$ 959,622
Committed	13,883,834	13,356,176	10,335,910	8,921,754	10,022,059	9,066,730	8,335,428	10,272,336	9,583,083	7,801,725
Assigned	-	-	-	-	4,772,760	3,000,000	3,000,000	3,000,000	3,000,000	15,647,123
Unassigned	43,728,460	47,146,997	51,711,580	57,421,838	51,738,725	51,068,428	51,132,934	53,179,746	56,525,820	44,990,829
Total general fund	$ 57,930,662	$ 60,879,034	$ 62,482,069	66,754,265	66,969,556	63,640,184	63,106,243	67,294,632	70,017,373	69,399,299
All Other Governmental Funds										
Non-spendable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$	$ -
Restricted	5,892,247	1,274,655	374,852	608,415	425,594	445,184	58,084,899	55,752,603	57,712,250	56,785,224
Committed	-	-	1,194,953	1,480,203	1,991,230	2,182,523	2,737,198	3,102,648	3,536,433	3,952,624
Assigned	12,482,461	12,775,223	7,779,150	15,502,243	8,004,044	3,611,174	3,685,064	4,525,291	4,660,215	5,357,435
Unassigned	-	(30,773)	-	-	-	-	-	-	-	-
Total all other governmental funds	$ 18,374,708	$ 14,019,105	$ 9,348,955	$ 17,590,861	$ 10,420,868	$ 6,238,881	$ 64,507,161	$ 63,380,542	$ 65,908,898	$ 66,095,283

Fund Balances, Governmental Funds



Tualatin Valley Fire and Rescue

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Property taxes	$ 99,609,614	$ 103,447,697	$ 111,212,130	$ 125,244,153	$ 127,780,938	$ 137,405,995	$ 141,935,205	$ 147,705,510	$ 153,972,122	$ 159,064,980
Investment earnings	346,112	613,384	961,803	1,562,138	1,345,739	647,849	476,420	5,173,791	8,355,778	7,764,469
Charges for services and fees	2,679,793	12,204,369	10,765,416	5,649,677	4,842,189	6,768,721	7,583,544	6,090,566	5,827,714	6,551,564
Insurance dividends and refunds	380,216	381,105	497,665	502,168	556,497	1,101,587	839,294	854,736	1,097,920	966,302
Grants and contributions	365,956	1,582,731	1,581,161	957,222	4,414,344	1,987,129	1,220,387	152,890	163,597	431,567
Miscellaneous	101,911	167,090	274,389	275,993	282,299	409,267	307,741	644,253	383,959	761,739
Total revenues	103,483,602	118,396,376	125,292,564	134,191,351	139,222,006	148,320,548	152,362,591	160,621,746	169,801,090	175,540,621
Expenditures										
Current:										
Public safety	87,713,655	101,647,222	109,630,788	115,901,565	127,515,274	136,496,640	138,200,032	142,269,810	151,111,758	158,255,509
Capital outlay	9,197,899	12,914,300	16,635,772	8,770,885	12,776,141	10,272,463	6,895,794	5,231,698	3,495,984	7,528,605
Debt service:										
Principal	4,020,000	4,180,000	4,755,000	4,580,000	4,925,000	8,160,000	8,896,996	6,455,147	7,740,078	8,283,880
Interest	2,321,111	2,093,985	1,705,340	1,824,536	1,357,006	1,048,628	823,987	3,611,489	2,818,045	2,538,995
Total expenditures	103,252,665	120,835,507	132,726,900	131,076,986	146,573,421	155,977,731	154,816,809	157,568,144	165,165,865	176,606,989
Excess (deficiency) of revenues over (under) expenditures	230,937	(2,439,131)	(7,434,336)	3,114,365	(7,351,415)	(7,657,183)	(2,454,218)	3,053,602	4,635,225	(1,066,368)
Other Financing Sources (Uses)										
Bonds issued	-	-	12,310,000	-	14,920,000	-	49,730,000	-	-	-
Premium on bonds issued	-	-	2,271,850	-	50,719	-	9,683,116	-	-	-
Proceeds on sale of surplus property	623,556	1,031,900	576,648	229,747	225,490	145,824	26,527	8,168	54,348	139,475
Lease financing	-	-	-	-	-	-	748,914	-	-	-
Subscription financing	-	-	-	-	-	-	-	-	561,524	495,204
Special item - proceeds on sale of campus	-	-	-	8,535,600	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	(14,409,383)	-	(14,799,496)	-	-	-	-	-
Transfers in	4,101,085	5,512,967	6,869,209	3,771,427	3,327,162	1,000,000	200,000	665,215	-	500,000
Transfers out	(4,101,085)	(5,512,967)	(6,869,209)	(3,771,427)	(3,327,162)	(1,000,000)	(200,000)	(665,215)	-	(500,000)
Total other financing sources (uses) and special item	623,556	1,031,900	749,115	8,765,347	396,713	145,824	60,188,557	8,168	615,872	634,679
Net change in fund balances	$ 854,493	$ (1,407,231)	$ (6,685,221)	$ 11,879,712	$ (6,954,702)	$ (7,511,359)	$ 57,734,339	$ 3,061,770	$ 5,251,097	$ (431,689)
Debt service as a percentage of noncapital expenditures	6.74%	5.81%	5.56%	5.24%	4.70%	6.32%	6.57%	6.61%	6.53%	6.40%

Tualatin Valley Fire and Rescue

Assessed and Market Value of Taxable Property

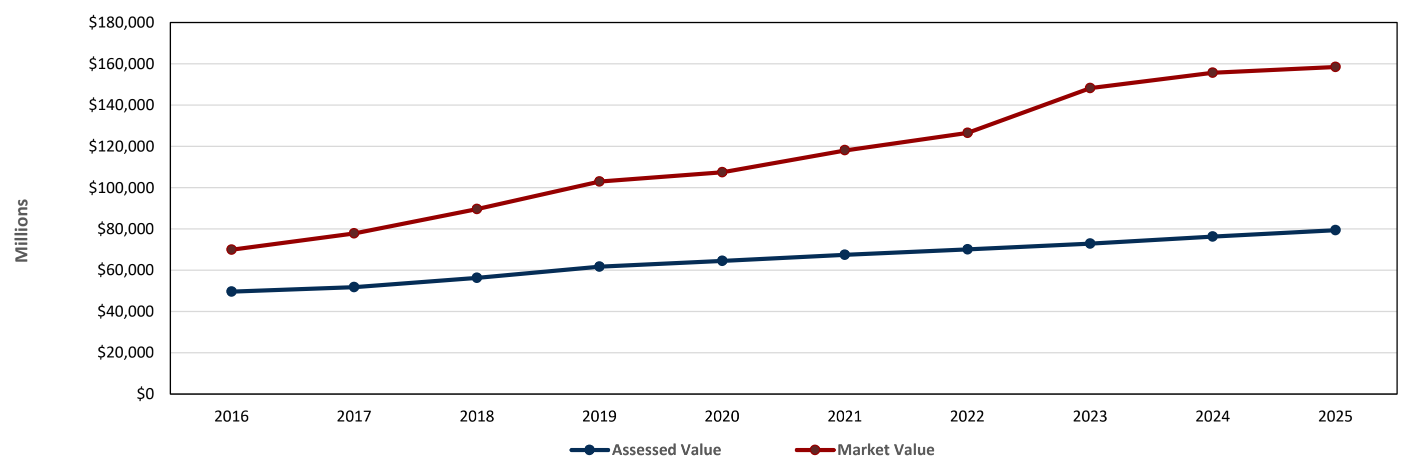
Last Ten Fiscal Years

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		
2025	$ 74,601,102,929	$ 152,899,551,403	$ 2,273,412,160	$ 2,455,649,222	$ 128,067,879	$ 388,761,546	$ 2,334,789,341	$ 2,661,562,365	$ 79,337,372,309	$ 158,405,524,535	50.08 %	$ 2.11
2024	71,831,594,195	150,487,728,325	2,084,203,589	2,259,113,695	123,995,339	369,834,219	2,237,196,382	2,538,496,280	76,276,989,505	155,655,172,519	49.00	2.11
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

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

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

Assessed Value Compared to Market Value



Tualatin Valley Fire and Rescue

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

Last Ten Fiscal Years
For Fiscal Years Ended June 30

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Range of property tax rates for direct and overlapping governments per $1,000 of assessed value	$ 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	$ 12.86 to $ 22.96	$ 12.29 to $ 23.42
Tualatin Valley Fire and Rescue	$ 2.11	$ 2.10	$ 2.08	$ 2.08	$ 2.07	$ 2.12	$ 2.12	$ 2.11	$ 2.11	$ 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	*0.4500*	*0.4500*	*0.4500*	*0.4500*	*0.4500*	*0.4500*	*0.4500*	*0.4500*	*0.4500*	*0.4500*
Bonded Debt	*0.1326*	*0.1218*	*0.1047*	*0.1087*	*0.0973*	*0.1415*	*0.1411*	*0.1375*	*0.1337*	*0.1314*
Other Overlapping Governments										
Washington County	2.84	2.96	2.95	2.95	2.95	2.96	3.01	3.00	3.00	3.00
Clackamas County	2.95	2.95	2.96	2.95	2.94	2.94	2.94	2.94	2.93	2.93
Yamhill County	-	-	-	2.58	2.58	2.58	2.58	2.58	2.58	2.58
City of Beaverton	4.33	4.31	4.35	4.32	4.30	4.80	4.28	4.42	4.80	4.79
City of Durham	1.69	1.64	1.66	1.12	0.49	0.49	0.49	0.49	0.49	0.49
City of King City	2.08	2.08	2.08	2.08	2.08	2.16	2.16	2.16	2.16	2.16
City of Newberg	-	-	-	2.50	2.58	2.65	2.73	2.81	2.90	2.99
City of North Plains	-	-	-	1.82	1.82	2.17	1.82	2.17	2.17	2.17
City of Sherwood	3.62	3.42	3.47	3.46	3.12	3.44	3.00	3.30	3.30	3.30
City of Tigard	2.92	2.88	2.87	2.85	2.82	3.13	3.10	3.14	3.14	3.14
City of Tualatin	2.52	2.51	2.50	2.89	2.87	2.86	2.86	2.85	3.11	3.10
City of West Linn	2.54	2.54	2.54	2.12	2.12	2.12	2.54	2.53	2.50	2.49
City of Wilsonville	2.10	1.97	2.52	2.52	2.05	2.07	2.09	2.52	2.52	2.52
Tualatin Hills Parks & Recreation District	1.62	1.62	1.61	1.62	1.61	1.60	1.60	1.58	1.58	2.08
Enhanced Sheriff's Patrol District	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.47	1.47
Portland Community College	0.59	0.68	0.61	0.69	0.69	0.68	0.66	0.67	0.64	0.66
Clackamas Community College	0.74	0.74	0.74	0.55	0.55	0.55	0.72	0.80	0.81	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	6.81	7.99
Beaverton School District	7.96	7.92	8.05	8.02	7.91	8.03	8.03	8.19	8.13	8.21
Canby School District	6.82	6.81	6.78	4.58	4.58	6.70	6.52	6.48	6.51	6.42
Hillsboro School District	7.22	7.20	7.15	7.14	7.18	7.25	7.11	6.97	6.95	6.90
Lake Oswego School District	6.79	6.81	7.95	7.93	8.14	8.14	8.11	8.97	8.98	8.96
Newberg School District	7.92	7.88	7.80	6.05	5.47	5.13	6.20	6.15	6.07	6.07
Portland School District	8.36	8.33	9.69	9.76	9.67	9.67	9.60	9.57	9.65	9.60
Sherwood School District	8.53	8.68	9.14	8.95	8.79	8.64	8.53	8.25	9.82	9.68
Tigard-Tualatin School District	7.46	7.45	7.77	7.75	7.70	7.79	7.78	7.74	7.75	7.68
West Linn / Wilsonville School District	9.24	9.23	9.07	9.19	9.33	9.70	9.05	9.30	9.32	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

	2025				2016		
	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	$ 1,508,876,008	1.90 %		1	$ 492,314,135	0.99 %
Maxim Integrated Products	4	360,970,550	0.45		10	114,027,620	0.23
Pacific Realty Associates	5	333,334,712	0.42		4	239,640,154	0.48
Comcast Corporation	6	277,465,140	0.35		3	241,635,900	0.49
LAM Research Corporation	7	214,150,660	0.27				
Northwest Fiber LLC	8	189,199,590	0.24				
Peterkort Centre LLC	10	148,843,060	0.19				
BV Centercal Owner LLC	9	174,301,300	0.22		9	134,588,306	0.27
Intel Corporation					6	186,293,150	0.38
PRR Washington Square LLC					7	142,625,935	0.29
Frontier Communications					8	136,526,000	0.28
Public utilities:							
Portland General Electric Co	2	808,619,400	1.02		2	286,315,251	0.58
Northwest Natural Gas Co	3	375,398,580	0.47		5	218,240,670	0.44
All other taxpayers		74,946,213,309	94.47			47,361,989,792	95.58
Total Assessed Value [3]		$ 79,337,372,309	100.00 %			$ 49,554,196,913	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

	2025				2016					
	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	$	1,894,825,619	2.39	%	1	$	2,218,043,675	4.48	%
Nike, Inc.	2		1,545,143,322	1.95		2		661,926,149	1.34	
Comcast Corporation	5		463,267,050	0.58		6		314,888,200	0.64	
Pacific Realty Associates	6		461,565,262	0.58		4		339,535,573	0.69	
Maxim Integrated Products	7		360,970,550	0.45						
Genentech Inc	8		347,907,090	0.44		9		165,225,810	0.33	
Li Cortez LLC	9		306,800,420	0.39						
Verizon Communications Inc.	10		282,941,000	0.36		8		177,142,000	0.36	
Frontier Communications						7		190,166,000	0.38	
Solarworld Properties Inc.						10		144,353,800	0.29	
Public utilities:										
Portland General Electric Co	3		1,425,868,030	1.80		3		478,753,431	0.97	
Northwest Natural Gas Co	4		501,531,550	0.63		5		319,249,270	0.64	
All other taxpayers			71,746,552,416	90.43				44,544,913,005	89.89	
Total Assessed Value [3]		$	79,337,372,309	100.00	%		$	49,554,196,913	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

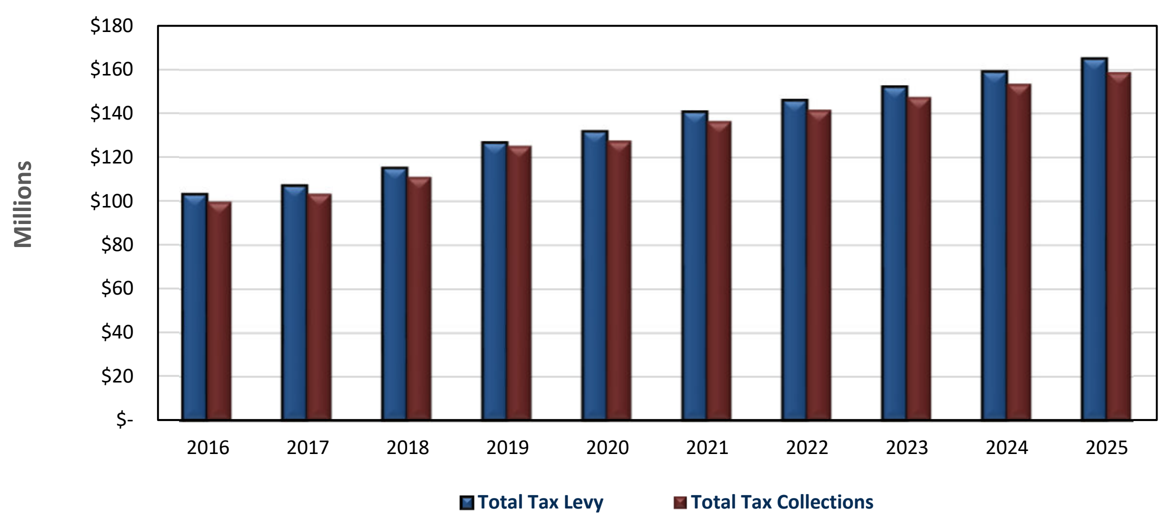
Property Tax Levies and Collections

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
2025	$ 164,809,697	$ 157,211,697	95.39%	$ 1,513,486	$ 158,725,183	96.31 %
2024	158,752,456	152,079,377	95.80	1,298,709	153,378,086	96.61
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

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]
2025	$ 53,271,992	$ 2,273,337	$ 55,545,329	$ 101.29	0.13 %
2024	62,203,851	2,516,931	64,720,782	117.37	0.15
2023	70,687,047	2,510,485	73,197,532	133.78	0.17
2022	78,120,688	2,485,974	80,606,662	148.58	0.20
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

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]
2025	$ 79,337,372,309	$ 53,271,992	$ 714,463	$ 52,557,529	0.07 %	$ 97.15	$ 95.84	0.12 %
2024	76,276,989,505	62,203,851	680,813	61,523,038	0.08	112.81	111.57	0.14
2023	72,910,951,470	70,687,047	559,235	70,127,812	0.10	129.19	128.17	0.16
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

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, 2025

Jurisdiction	Net Direct Debt Outstanding [1]	Percentage Applicable to District	Amount Applicable to District
Chehalem Park & Recreation District	$ 17,885,000	85.24 %	$ 15,244,333
Chemeketa Community College	58,315,000	0.00	1,283
City of Beaverton	27,525,000	99.99	27,522,688
City of Cornelius	1,726,835	0.60	10,447
City of Hillsboro	66,770,000	0.00	467
City of Newberg	4,371,728	100.00	4,371,728
City of Sherwood	59,323,319	99.96	59,301,963
City of Tigard	10,818,145	99.98	10,816,349
City of Tualatin	25,979,954	99.96	25,970,030
City of West Linn	24,420,000	100.00	24,420,000
City of Wilsonville	14,978,600	100.00	14,978,600
Clackamas Community College	231,348,770	23.20	53,668,750
Clackamas County	88,689,500	17.68	15,681,989
Clackamas County ESD	24,296,648	17.59	4,272,687
Clackamas County SD 3J (West Linn/Wilsonville)	432,502,321	100.00	432,501,456
Clackamas County SD 7J (Lake Oswego)	372,682,000	5.55	20,668,944
Clackamas County SD 86 (Canby)	86,235,000	11.78	10,159,432
Clackamas Soil & Water Conservation	4,643,000	17.68	820,971
Columbia County SD 1J (Scappoose)	12,275,000	0.20	24,440
Metro Service District	904,080,000	29.26	264,529,288
Multnomah County	440,658,398	0.93	4,081,819
Multnomah County SD 1J (Portland)	1,751,093,000	1.57	27,490,409
Multnomah ESD	58,415,817	1.13	662,260
Northwest Regional ESD	12,395,000	57.36	7,110,355
Portland Community College	569,075,000	35.55	202,302,179
Rivergrove Water District 14J	3,098,662	18.99	588,532
Tualatin Hills Park & Recreation District	32,063,520	99.95	32,049,059
Urban Flood Safety & Water Quality District	15,137,066	0.61	92,033
Valley View Water District	704,129	100.00	704,129
Washington County	112,639,172	72.80	82,004,809
Washington County SD 13 (Banks)	52,521,430	0.22	116,072
Washington County SD 1J (Hillsboro)	428,080,000	24.09	103,126,184
Washington County SD 23J (Tigard-Tualatin)	270,535,000	99.88	270,207,382
Washington County SD 48J (Beaverton)	1,391,124,020	95.29	1,325,603,470
Washington County SD 88J (Sherwood)	267,176,543	99.93	266,981,772
Willamette ESD	4,236,362	8.06	341,277
Yamhill County	7,094,853	32.56	2,310,389
Yamhill County SD 1 (Yamhill-Carlton)	17,485,000	0.10	18,324
Yamhill County SD 29J (Newberg)	150,164,219	85.90	128,991,365
Subtotal overlapping debt			3,439,747,664
District direct debt			55,545,329
Total direct and overlapping debt			$ 3,495,292,993

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, 2025

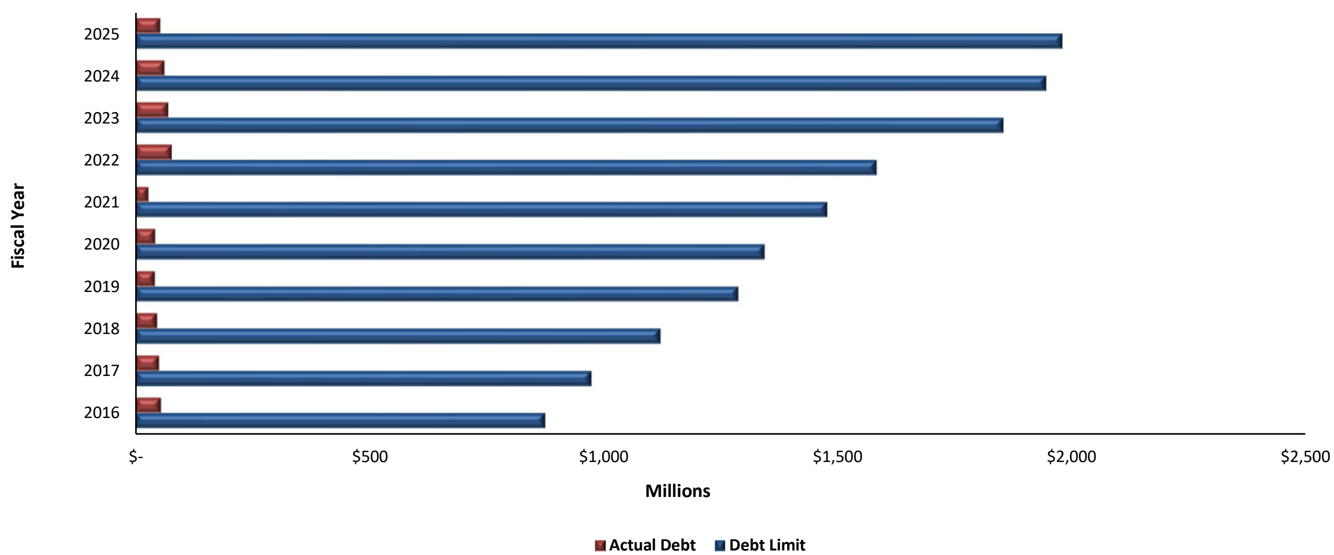
Real market value of District property			$	158,405,524,535
Debt limit under ORS 478.410(2) - (1.25% of the real market value)				1,980,069,057
Amount of debt applicable to debt limit:	$	53,271,992		
Gross bonded debt outstanding		(714,463)		
Assets in Debt Service Fund available for debt service				
Total amount of debt applicable to debt limit				52,557,529
Legal debt margin			$	1,927,511,528
Total net debt applicable to the limit as a percentage of debt limit				2.65%

	2016 [1]	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt Limit	$ 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	$ 1,945,689,656	$ 1,980,069,057
Total net debt applicable to limit	54,127,655	49,841,082	46,264,742	41,017,613	36,267,525	27,650,142	77,673,718	70,127,812	61,523,038	52,557,529
Legal debt margin	$ 820,123,881	$ 923,120,668	$ 1,073,403,805	$ 1,245,279,052	$ 1,306,148,705	$ 1,448,372,515	$ 1,504,619,700	$ 1,783,692,729	$ 1,884,166,618	$ 1,927,511,528
Total net debt applicable to the limit as a percentage of debt limit	6.19%	5.12%	4.13%	3.19%	2.70%	1.87%	4.91%	3.78%	3.16%	2.65%

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



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]
2025	548,376	390	$ 79,139	$ 43,397,928	53,847	4.5 %
2024	551,423	390	79,139	43,639,065	54,168	3.6
2023	547,142	390	79,139	43,300,271	55,065	3.1
2022	542,524	390	73,380	39,810,411	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

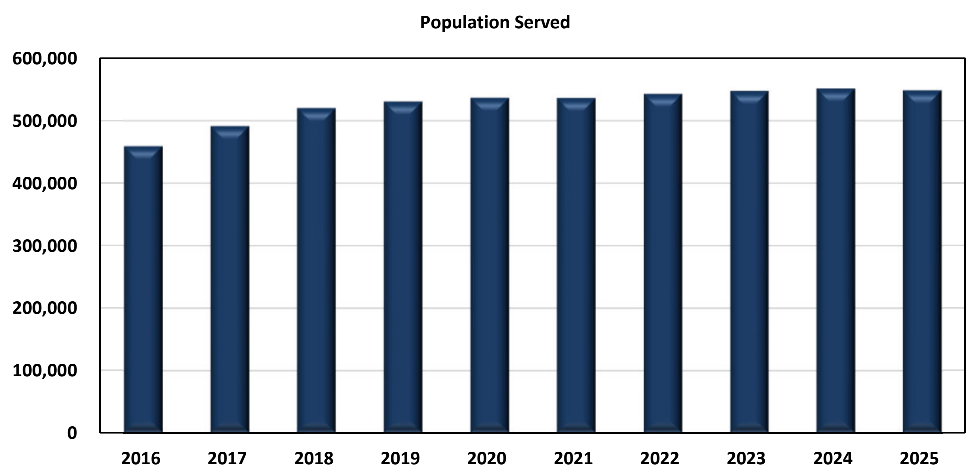
[1] Portland State University/TVFR Planning Department

[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 2023.

[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

	2025			2016		
	Annual Average (1)		% of Total	Annual Average (1)		% of Total
Natural Resources & Mining		3,143	1%		3,237	1%
Construction		19,070	6%		14,877	5%
Manufacturing						
Food	2,651			1,928		
Wood Products	918			1,023		
Plastics and Rubber Products	1,253			2,117		
Fabricated Metal Products	3,703			3,455		
Machinery	5,226			4,275		
Computer and Electronic Products	30,915			28,390		
Other	7,294			7,315		
Total Manufacturing		51,960	17%		48,503	17%
Trade, Transportation, and Utilities						
Wholesale	14,695			13,362		
Retail	32,028			31,134		
Transportation, Warehousing, and Utilities	7,338			4,567		
Total Trade, Transportation, and Utilities		54,061	18%		49,063	17%
Information						
Publishing	3,007			2,986		
Telecommunications	839			2,216		
Other (Broadcasting, ISP's, etc.)	3,107			2,237		
Total Information		6,953	2%		7,439	3%
Financial Activities						
Finance and Insurance	9,571			10,699		
Real Estate	4,603			3,698		
Total Financial Activities		14,174	5%		14,397	5%
Professional & Business Services		54,356	18%		53,768	19%
Education		6,155	2%		5,160	2%
Health & Social Assistance		36,412	12%		28,019	10%
Leisure & Hospitality		27,178	9%		25,538	9%
Other Services		10,556	3%		9,947	4%
Private Non-Classified		58	0%		45	0%
Total All Government		24,608	8%		22,949	8%
Total Employment		308,684	100%		282,941	100%

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

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

Tualatin Valley Fire and Rescue

Full-Time Equivalent Employees by Function

Last Ten Fiscal Years

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Fire and Rescue Service	376	438	454	454	454	447	453	466	467	472
Fire Prevention and Training	23	23	21	22	22	24	22	19	20	22
Administrative and Support	90	94	95	93	99	95	97	104	106	105
Total	489	555 [1]	570	569	575	566	572	589	593	599

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	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public Safety:										
Code Enforcement										
Inspections (not including night)	4,169	4,891	4,394	3,727	3,674	2,750 [3]	684 [3]	2,077	3,196	5,531
Re-Inspections	2,612	2,696	3,252	1,769	1,859	1,300 [3]	285 [3]	1,030	1,389	2,317
Night inspections	337	198	246	175	242	160 [3]	21 [3]	142	132	111
Violations Found	4,290	4,209	2,679	2,168	2,985	1,975 [3]	368 [3]	1,784	2,909	3,510
Incident Response										
Dispatched as:										
1 - Fire, Explosion	3,776	4,111	4,423	4,688	4,630	4,421	4,738	4,719	4,964	5,238
3 - EMS/Rescue Call	32,067	36,191	40,688	39,542	41,025	40,281	46,613	49,987	49,303	49,294
4 - Hazardous Condition	767	941	1,227	343 [2]	278	205	279	325	352	359
5 - Service Call	1,334	1,567	2,048	4,721 [2]	5,327	5,065	5,618	5,705	5,277	5,644
6 - Good Intent	386	196	272	- [2]	-	-	-	-	-	
9 - Other Situation	551	509	553	43 [2]	35	-	-	9	9	57
Total Responses	38,881	43,515	49,211	49,337	51,295	49,972	57,248	60,745	59,905	60,592
Situations found:										
1 - Fire, Explosion	1,294	1,199	1,362	1,359	1,301	1,185	1,296	1,128	1,394	1,217
2 - Overpressure	28	41	21	40	30	24	27	27	35	18
3 - EMS/Rescue Call	26,236	29,693	33,390	33,663	34,556	33,904	40,675	44,521	44,199	42,774
4 - Hazardous Condition	1,065	1,274	1,500	1,267	1,482	1,139	1,352	1,367	1,205	1,295
5 - Service Call	2,502	3,058	3,625	3,447	3,644	3,447	2,718	2,673	2,286	2,536
6 - Good Intent	5,681	5,867	6,676	6,897	7,438	7,621	8,394	7,950	7,751	9,344
7 - False Call	2,058	2,366	2,611	2,654	2,840	2,635	2,769	3,070	3,023	3,373
8 - Natural Condition	10	7	21	1	3	13	10	3	4	26
9 - Other Situation	7	10	5	9	1	4	7	6	8	9
Total Responses	38,881	43,515	49,211	49,337	51,295	49,972	57,248	60,745	59,905	60,592

Source: TVFR Budget and Standards of Cover documents.

[1] Most recent full calendar year indicators.
[2] Reclassification of call types for the Standards of Cover occurred in 2018
[3] 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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public Safety:										
Number of Stations	22 [(1)]	22	24 [(3)]	27 [(4)]	28 [(5)]	28	29 [(7)]	29	29	29
Equipment:										
Aerial/Truck/Platform	4	5	5	5	5	5	5	6 [(8)]	6	6
Brush Rig	9	11 [(2)]	12	15	15	13	13	14 [(8)]	14	13
Cars	7	8	8	8	8	8	8	8	8	11 [(9)]
Elevated Waterway	3	3	3	3	3	- [(6)]	-	-	-	-
HazMat	5	5	5	5	5	5	5	5	5	7
Medic Unit	10	10	10	14	14	14	14	14	15	15
Mobile Command Unit	1	1	1	1	1	1	1	1	1	1
Pumper/Engine	28	32 [(2)]	32	38	38	38	40	40	40	42
Rehab Unit	2	2	2	2	2	2	2	2	2	2
Squad	1	1	1	1	2	2	3	1 [(8)]	1	2
Technical/Water Rescue	7	9	9	9	9	9	9	9	9	9
Tiller	-	2	2	3	3	3	3	3	3	3
Training Mobile Unit	-	-	-	-	-	1	1	1	2	1
Safety House	1	1	1	1	1	1	1	- [(8)]	-	-
Water Tender	7	11 [(2)]	9	11	11	11	11	11	11	11

Source: TVFR Facilities and Fleet departments.

[(1)] Station 70 placed into service.

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

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

[(4)] 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).

[(4)] Station 55 opened in August of 2018.

[(5)] New station 39 opened in January of 2020.

[(6)] Eliminated this equipment type in 2021.

[(7)] Station 54 opened in September of 2021.

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

[(9)] Three additional Cars were placed into service for deployment of Advanced Practice Community Paramedic program.

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

TVF&R

Tualatin Valley
Fire & Rescue

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, 2025, 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 15, 2025. 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, Korvola & Warwick, LLP

Portland, Oregon
October 15, 2025

11945 SW 70th Avenue
Tigard, OR 97223

Phone: (503) 649-8577

www.tvfr.com

TualatinValleyFireandRescue

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Copies of the Budget Document, Annual Comprehensive Financial Report, and Popular Annual Financial Report are available online at www.tvfr.com. Hard copies can be requested by calling (503) 649-8577.

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