



LANE FIRE AUTHORITY
Lane County, Oregon

ANNUAL FINANCIAL REPORT

June 30, 2023



LANE FIRE AUTHORITY
Lane County, Oregon

DISTRICT OFFICIALS

June 30, 2023

BOARD OF DIRECTORS

Ryan Walker, President
Veneta, Oregon

Pete Holmes, Vice President
Noti, Oregon

John Baxter, Treasurer
Cheshire, Oregon

Bill Clendenen
Eugene, Oregon

Greg Deedon
Eugene, Oregon

All board members receive mail at the Authority's address listed below.

FIRE CHIEF AND REGISTERED AGENT

Dale Borland, Fire Chief
PO Box 398
Veneta, Oregon 97487

ADMINISTRATION

Cheryl Hunter, Business Manager

LANE FIRE AUTHORITY
Lane County, Oregon

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Board of Directors
Lane Fire Authority
Veneta, Oregon 97487

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities and the major fund of Lane Fire Authority, Lane County, Oregon, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and the major fund of Lane Fire Authority, Lane County, Oregon as of June 30, 2023, and the respective changes in modified cash basis financial position thereof for the year then ended on the basis of accounting described in Note I.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Lane Fire Authority, Lane County, Oregon, 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.

Emphasis of Matter - Basis of Accounting

We draw attention to Note I of the financial statements, which describes the basis of accounting. Lane Fire Authority, Lane County, Oregon, prepares its financial statements on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to that matter.

Emphasis of Matter - Change in Accounting Principle

As described in the notes to the financial statements, in the year ended June 30, 2023, the Authority adopted new accounting guidance: GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability of Arrangements*, Statement No. 96, *Subscription-Based Information Technology Arrangements*, Statement No. 99, *Omnibus 202*, and Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note I, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

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 generally accepted auditing standards 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 Lane Fire Authority, Lane County, Oregon'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 Lane Fire Authority, Lane County, Oregon'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.

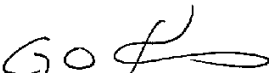
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lane Fire Authority, Lane County, Oregon's basic financial statements. The budgetary comparison information is presented for purposes of additional analysis and is 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 auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated September 18, 2023 on our tests of the Authority's compliance with certain provisions of laws and regulations 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.

Accuity, LLC

By: 
Glen O. Kearns, CPA

Albany, Oregon
September 18, 2023

BASIC FINANCIAL STATEMENTS

LANE FIRE AUTHORITY
Lane County, Oregon

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

June 30, 2023

	<u>Governmental Activities</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 2,598,930
Restricted cash	27,296
Capital assets not being depreciated	492,989
Capital assets being depreciated, net	<u>6,381,695</u>
Total assets	<u>9,500,910</u>
LIABILITIES	
Current liabilities	
Payroll liabilities	10,688
Long-term liabilities, current portion	<u>163,327</u>
Total current liabilities	<u>174,015</u>
Noncurrent liabilities	
Long-term liabilities, less current portion	<u>314,974</u>
Total liabilities	<u>488,989</u>
NET POSITION	
Net investment in capital assets	6,396,383
Restricted for grant projects	27,296
Unrestricted	<u>2,588,242</u>
Total net position	<u>\$ 9,011,921</u>

The accompanying notes are an integral part of these financial statements.

LANE FIRE AUTHORITY
Lane County, Oregon

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the Year Ended June 30, 2023

<u>Functions/Programs</u>	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Governmental activities					
Fire suppression	\$ 10,049,840	\$ 4,060,650	\$ 70,000	\$ 250,000	(5,669,190)
General revenues					
Property taxes levied for general purposes					6,474,755
Investment earnings					71,300
Gain on sale of assets					500
Miscellaneous					92,317
Total general revenues					6,638,872
Change in net position					969,682
Net position - beginning					8,042,239
Net position - ending					\$ 9,011,921

The accompanying notes are an integral part of these financial statements.

LANE FIRE AUTHORITY
Lane County, Oregon

BALANCE SHEET - MODIFIED CASH BASIS

GOVERNMENTAL FUNDS

June 30, 2023

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ <u>2,626,226</u>
LIABILITIES	
Payroll liabilities	\$ <u>10,688</u>
FUND BALANCES	
Fund balances	
Restricted for grant projects	27,296
Unassigned	<u>2,588,242</u>
Total fund balances	<u>2,615,538</u>
Total liabilities and fund balances	\$ <u>2,626,226</u>

The accompanying notes are an integral part of these financial statements.

LANE FIRE AUTHORITY
Lane County, Oregon

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES

June 30, 2023

Total fund balances		\$ 2,615,538
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Cost	19,204,854	
Accumulated depreciation	<u>(12,330,170)</u>	6,874,684
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but rather, is recognized as an expenditure when due. These liabilities consist of:		
Long-term liabilities payable	<u>(478,301)</u>	<u>(478,301)</u>
Net position of governmental activities		<u>\$ 9,011,921</u>

The accompanying notes are an integral part of these financial statements.

LANE FIRE AUTHORITY
Lane County, Oregon

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
MODIFIED CASH BASIS

GOVERNMENTAL FUNDS

For the Year Ended June 30, 2023

	General Fund
REVENUES	
Property taxes	\$ 6,474,755
Charges for services	3,287,980
Investment earnings	71,300
Grant revenue	320,000
Contract services	772,670
Miscellaneous	92,317
Total revenues	11,019,022
EXPENDITURES	
Fire suppression	
Personnel services	7,191,048
Materials and services	2,047,990
Capital outlay	1,421,830
Debt service	1,228,913
Total expenditures	11,889,781
Excess (deficiency) of revenues over (under) expenditures	(870,759)
OTHER FINANCING SOURCES (USES)	
Loan proceeds	1,389,810
Sale of assets	500
Total other financing sources (uses)	1,390,310
Net change in fund balances	519,551
Fund balances - beginning	2,095,987
Fund balances - ending	\$ 2,615,538

The accompanying notes are an integral part of these financial statements.

LANE FIRE AUTHORITY
Lane County, Oregon

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2023

Net change in fund balances \$ 519,551

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures; however, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and are reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Expenditures for capital assets	1,275,572	
Depreciation expense recorded in the current year	<u>(583,810)</u>	691,762

Long-term debt proceeds are reported as other financing sources in the governmental funds. In the statement of net position, issuing long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the statement of net position. This is the amount by which repayments exceeded proceeds.

Long-term debt issued	(404,060)	
Debt principal paid	<u>162,429</u>	<u>(241,631)</u>

Change in net position \$ 969,682

The accompanying notes are an integral part of these financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

LANE FIRE AUTHORITY
Lane County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Lane Fire Authority have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

A. Description of Government-Wide Financial Statements

The government-wide modified cash basis financial statements (i.e., the statement of net position and the statements of activities) report information on all of the activities of the Authority. *Governmental Activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported for the Authority.

B. Reporting Entity

Lane Fire Authority was formed in 2016, under the authority of the Oregon Revised Statutes Chapter 478. The District was formed by joint venture, to provide services for the Districts of Lane County Fire District #1 and Lane Rural Fire Rescue. The two Districts were merged on December 1, 2016, by approval of voters in a general election, with the surviving District being Lane Fire Authority. Lane Fire Authority operates out of 14 stations that provide fire, life safety, and emergency medical services to approximately 45,000 residents over 282 square miles. The Authority is a municipal corporation governed by a five-member elected board of directors. The administration of the day-to-day affairs of the Authority is the responsibility of the Fire Chief.

C. Basis of Presentation - Government-Wide Financial Statements

While separate government-wide and fund modified cash basis financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the government's funds. The emphasis of fund modified cash basis financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund modified cash basis financial statements.

LANE FIRE AUTHORITY
Lane County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2023

The government reports the following major governmental fund:

General Fund – The General Fund is the Authority’s primary operating fund. It accounts for all the financial resources of the Authority except for those required to be accounted for in another fund. The primary source of revenue is property taxes and contract services. Expenditures are primarily for fire suppression, medical calls, and administrative support.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus within the limitations of the modified cash basis of accounting, as described in Note 1.

The governmental fund financial statements are reported using the current financial resources measurement focus. Only current financial assets and liabilities are generally included on the balance sheet. The operating statements present sources and uses of available expendable financial resources during a given period. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt is reported as an other financing source.

In the government-wide financial statements and the fund financial statements, governmental activities are presented using the modified cash basis of accounting. This basis recognizes assets, liabilities, fund balance/net position, revenues, and expenditures when they result from cash transactions, with a provision for depreciation in the government-wide statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenues for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in the financial statements. If the Authority utilized the basis of accounting recognized as generally accepted, the fund financial statements would use the modified accrual basis of accounting, and the government-wide financial statements would be presented on the accrual basis of accounting.

F. Budgetary Information

Annual budgets are adopted on the modified accrual basis of accounting for revenues and expenses. The Authority budgets all funds in accordance with the requirements of state law. Annual appropriated budgets are adopted for the general, special revenue, and capital projects funds.

LANE FIRE AUTHORITY
Lane County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2023

The Authority begins its budgeting process by appointing budget committee members. The budget officer prepares a budget, which is reviewed by the budget committee. The budget is then published in proposed form and is presented at public hearings to obtain taxpayer comments and approval from the budget committee.

The budget is legally adopted by the board of directors by resolution prior to the beginning of the Authority's fiscal year. The board resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total personnel services, material and services, debt service, capital outlay, operating contingencies, and interfund transfers for each fund are the levels of control established by the resolution. The detailed budget document, however, is required to contain more specific detailed information for the aforementioned expenditure categories, and management may revise the detailed line-item budgets within appropriation categories.

Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution. Supplemental budgets less than 10% of a fund's original budget may be adopted by the board of directors at a regular board meeting. A supplemental budget greater than 10% of a fund's original budget requires hearings before the public, publication in newspapers, and approval by the board of directors. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by the board of directors. During the year, there were no supplemental budgets. The Authority does not use encumbrances, and appropriations lapse at year-end.

Budget amounts shown in the financial statements reflect the original budget amounts and two approved appropriation changes.

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Cash Equivalents

The Authority's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2. Investments

State statutes authorize the Authority to invest in legally issued general obligations of the United States, the agencies and instrumentalities of the United States and the states of Oregon, Washington, Idaho, or California, certain interest-bearing bonds, time deposit open accounts, certificates of deposit, and savings accounts in banks, mutual savings banks, and savings and loan associations that maintain a head office or a branch in this state in the capacity of a bank, mutual savings bank, or savings and loan association, and share accounts and savings accounts in credit unions in the name of, or for the benefit of, a member of the credit union pursuant to a plan of deferred compensation.

LANE FIRE AUTHORITY
Lane County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2023

3. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental activities columns in the government-wide modified cash basis financial statements. Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost where no historical records exist. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance or repairs that do not add to the value of an asset or materially extend its life are charged to expenditures as incurred and are not capitalized. Major capital outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the Authority are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Equipment	5-20
Firetrucks and vehicles	6-20
Buildings and improvements	10-50

4. Net Position Flow Assumption

Sometimes the government 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 fund modified cash basis financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

5. Fund Balance Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund modified cash basis financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

LANE FIRE AUTHORITY
Lane County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2023

6. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The board of directors is the highest level of decision-making authority for the government that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for the specific purposes but do not meet the criteria to be classified as committed. The board may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Because amounts in the nonspendable, restricted, committed, and assigned categories are subject to varying constraints on their use, the reserve for economic uncertainties consists of balances that are otherwise unassigned. The portion of available funds within the reserve can be used to offset emergency expenditures, a downturn in collection of significant revenues, or other unforeseen events.

The Authority reports fund equity in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance - amounts that are in nonspendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance - amounts constrained to specific purposes by the Authority itself, using its highest level of decision-making authority (i.e. board of directors). To be reported as committed, amounts cannot be used for any other purpose unless the Authority takes the same highest-level action to remove or change the constraint.

LANE FIRE AUTHORITY
Lane County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2023

- Assigned fund balance – amounts that Authority intends to use for a specific purpose. Intent can be expressed by the board of directors or by an official or body to which the board of directors delegates authority.
- Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

The Authority has not formally adopted a minimum fund balance policy.

H. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic remittances of collection to entities levying taxes. Property taxes are levied and become a lien as of July 1 on property values assessed as of June 30. Property taxes are payable in three installments, which are due on November 15, February 15, and May 15.

I. Use of Estimates

The preparation of modified cash basis financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

II. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. Deposits and Investments

Lane Fire Authority maintains a cash and cash equivalents pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the fund modified cash basis financial statements as cash and cash equivalents. Additionally, several funds held separate cash accounts. Interest earned on pooled cash and investments is allocated to participating funds based upon their combined cash and investment balances.

Investments, including amounts held in pooled cash and investments, are stated at fair value.

LANE FIRE AUTHORITY
Lane County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2023

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, investments with a remaining maturity of more than one year at the time of purchase are stated at fair value. The Authority participates in an external investment pool (State of Oregon Local Government Investment Pool). The Pool is not registered with the U.S. Securities and Exchange Commission as an investment company.

The State's investment policies are governed by the Oregon Revised Statutes (ORS) and the Oregon Investment Council (OIC). The State Treasurer is the investment officer for the OIC and is responsible for all funds in the State Treasury. These funds are invested exercising reasonable care, skill, and caution. Investments in the Pool are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board, which established diversification percentages and specifies the types and maturities of investments.

The portion of the external investment pool which belongs to local government investment participants is reported in an Investment Trust Fund in the State's Annual Comprehensive Financial Report (ACFR). A copy of the State's ACFR may be obtained at the Oregon State Treasury, 350 Winter St. N.E., Salem, Oregon 97310-0840.

Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or price paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset.

The classification of securities within the fair value hierarchy is based on the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

- *Level 1* - Unadjusted quoted prices for identical investments in active markets.
- *Level 2* - Observable inputs other than quoted market prices; and,
- *Level 3* - Unobservable inputs.

There were no transfers of assets or liabilities among the three levels of the fair value hierarchy for the year ended June 30, 2023.

Fair values of assets measured on a recurring basis at June 30, 2023 are as follows:

	<u>Level 2</u>
Investments	
Local Government Investment Pool	<u>\$ 2,500,547</u>

LANE FIRE AUTHORITY
Lane County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2023

Credit Risk

Oregon statutes authorize the Authority to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the Local Government Investment Pool. The Authority has not adopted an investment policy regarding credit risk; however, investments comply with state statutes.

Investments

As of June 30, 2023, the Authority had the following investments:

	Credit Quality Rating	Maturities	Fair Value
Local Government Investment Pool	Unrated	-	\$ 2,500,547

Interest Rate Risk

The Authority does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increases in interest rates.

Concentration of Credit Risk

The Authority does not have a formal policy that places a limit on the amount that may be invested in any one insurer. 100 percent of the Authority's investments are in the Oregon Local Government Investment Pool.

Custodial Credit Risk - Investments

This is the risk that, in the event of the failure of a counterparty, the Authority will not be able to recover the value of its investments that are in the possession of an outside party. The Authority does not have a policy that limits the amount of investments that can be held by counterparties.

Custodial Credit Risk - Deposits

This is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. All Authority deposits not covered by Federal Depository Insurance Corporation (FDIC) insurance are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon, organized in accordance with ORS 295. The PFCP is a shared liability structure for participating bank depositories. Barring any exceptions, a bank depository is required to pledge collateral valued at a minimum of 10% of their quarter-end public fund deposits if they are considered well capitalized, 25% of their quarter-end public fund deposits if they are considered adequately capitalized, or 110% of their quarter-end public fund deposits if they are considered undercapitalized or assigned to pledge 110% by the Office of the State Treasurer.

LANE FIRE AUTHORITY
Lane County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2023

In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities. The Authority holds accounts at Banner Bank, for which deposits are insured by the FDIC up to \$250,000. At June 30, 2023, the Authority had deposits of \$250,000 insured by the FDIC and \$13,602 collateralized by the PFCP.

Deposits

The Authority's deposits and investments at June 30, 2023 are as follows:

Checking accounts	\$ 125,679
Total investments	<u>2,500,547</u>
Total deposits	<u>\$ 2,626,226</u>

Cash and investments by fund:

Governmental activities - unrestricted	
General Fund	<u>2,598,930</u>
Governmental activities - restricted	
General Fund	<u>27,296</u>
Total governmental activities	<u>\$ 2,626,226</u>

Restricted cash is for grant projects.

B. Capital Assets

Capital assets are reported on the statement of net position as follows:

	<u>Capital Assets</u>	<u>Accumulated Depreciation</u>	<u>Net Capital Assets</u>
Governmental activities			
Land	\$ 492,989	\$ -	\$ 492,989
Buildings & improvements	5,577,717	(2,275,539)	3,302,178
Apparatus	11,355,731	(8,632,032)	2,723,699
Equipment	<u>1,778,417</u>	<u>(1,422,599)</u>	<u>355,818</u>
Total capital assets	<u>\$ 19,204,854</u>	<u>\$ (12,330,170)</u>	<u>\$ 6,874,684</u>

LANE FIRE AUTHORITY
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Capital asset activity for the year ended June 30, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets not being depreciated				
Land	\$ 492,989	\$ -	\$ -	\$ 492,989
Capital assets being depreciated				
Buildings & improvements	5,565,878	11,839	-	5,577,717
Fire trucks and vehicles	10,311,710	1,044,021	-	11,355,731
Equipment	1,558,705	219,712	-	1,778,417
Total capital assets being depreciated	<u>17,436,293</u>	<u>1,275,572</u>	<u>-</u>	<u>18,711,865</u>
Less accumulated depreciation for				
Buildings & improvements	(2,152,953)	(122,586)	-	(2,275,539)
Fire trucks and vehicles	(8,238,515)	(393,517)	-	(8,632,032)
Equipment	(1,354,892)	(67,707)	-	(1,422,599)
Total accumulated depreciation	<u>(11,746,360)</u>	<u>(583,810)</u>	<u>-</u>	<u>(12,330,170)</u>
Total capital assets being depreciated, net	<u>5,689,933</u>	<u>691,762</u>	<u>-</u>	<u>6,381,695</u>
Governmental activities capital assets, net	<u>\$ 6,182,922</u>	<u>\$ 691,762</u>	<u>\$ -</u>	<u>\$ 6,874,684</u>

Depreciation expense is recorded on the statement of activities as follows:

Governmental activities	
Fire suppression	<u>\$ 583,810</u>

C. Long-Term Liabilities

1. Changes in Long-Term Liabilities

The following is a summary of long-term liabilities transactions for the year:

	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities							
Cascade Escrow Note	7.80%	\$ 84,571	\$ 40,730	\$ -	\$ 12,429	\$ 28,301	\$ 13,327
Ambulance Note	3.50%	<u>600,000</u>	<u>195,940</u>	<u>404,060</u>	<u>150,000</u>	<u>450,000</u>	<u>150,000</u>
Total governmental activities		<u>\$ 684,571</u>	<u>\$ 236,670</u>	<u>\$ 404,060</u>	<u>\$ 162,429</u>	<u>\$ 478,301</u>	<u>\$ 163,327</u>

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June 30, 2023

2. Future Maturities of Long-Term Liabilities

Year Ending June 30	Cascade Escrow Note			Ambulance Note			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 13,327	\$ 1,559	\$ 14,886	\$ 150,000	\$ 15,750	\$ 165,750	\$ 163,327	\$ 17,309	\$ 180,636
2025	14,974	595	15,569	150,000	10,500	160,500	164,974	11,095	176,069
2026	-	-	-	150,000	5,250	155,250	150,000	5,250	155,250
Total	<u>\$ 28,301</u>	<u>\$ 2,154</u>	<u>\$ 30,455</u>	<u>\$ 450,000</u>	<u>\$ 31,500</u>	<u>\$ 481,500</u>	<u>\$ 478,301</u>	<u>\$ 33,654</u>	<u>\$ 511,955</u>

Interest expense for the year ended June 30, 2023 was \$37,319 total.

3. Cascade Escrow Note

In May 2018, the Authority signed an installment sale note to purchased land, which is pledged as collateral. Interest is fixed at 7.80% and due monthly. The General Fund has traditionally been used to liquidate this obligation.

4. Ambulance Note

In June 2022, the Authority signed an agreement to purchase an ambulance, which is pledged as collateral. Interest is fixed at 3.50% and due semiannually on December 15 and June 15. The General Fund has traditionally been used to liquidate this obligation.

D. Line of Credit

Lane Fire Authority maintains a line of credit with Banner Bank to provide for cash flow needs prior to property tax receipts being received for the fiscal year. During the fiscal year, there was \$1,000,000 in drawdowns and repayments made on the line of credit as shown below:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities				
Line-of-credit	<u>\$ -</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ -</u>

III. OTHER INFORMATION

A. Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Authority carries commercial insurance. There was no significant reduction in insurance coverage from the previous year. There were no insurance settlements exceeding insurance coverage in any of the past three years.

LANE FIRE AUTHORITY
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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2023

B. Retirement Plans

1. Oregon Public Employees Retirement System

General Information about the Pension Plan

The Oregon Public Employees Retirement System (OPERS) consists of a cost-sharing, multiple-employer defined benefit plan (Plan) for units of state government, political subdivisions, community colleges, and school districts, containing multiple actuarial pools. Plan assets may be used to pay the benefits of the employees of any employer that provides pensions through the Plan. As of June 30, 2022, there were 939 participating employers.

Plan Membership

As of June 30, 2022, there were 11,413 active plan members, 129,376 retired plan members or their beneficiaries currently receiving benefits, 8,372 inactive plan members entitled to but not yet receiving benefits, for a total of 149,161 Tier One members.

For Tier Two members, as of June 30, 2022, there were 27,056 active plan members, 20,720 retired plan members or their beneficiaries currently receiving benefits, 13,335 inactive plan members entitled to but not yet receiving benefits, for a total of 61,111.

As of June 30, 2021, there were 136,785 active plan members, 8,311 retired plan members or their beneficiaries currently receiving benefits, 7,520 inactive plan members entitled to but not yet receiving benefits, and 18,263 inactive plan members not eligible for refund or retirements, for a total of 170,879 OPSRP Pension Program members.

Plan Benefits

Plan benefits of the System are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A, and Internal Revenue Code Section 401(a).

Tier One/Tier Two Retirement Benefit (Chapter 238) - OPERS 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 is closed to new members hired on or after August 29, 2003.

Pension Benefits

The OPERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options that are actuarially equivalent to the base benefit. 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 percent 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.

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Benefits may also be calculated under a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results. A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. Police and Fire members may purchase increased benefits that are payable between the date of retirement and age 65.

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:

- Member was employed by a PERS employer at the time of death,
- Member died within 120 days after termination of PERS-covered employment,
- Member died as a result of injury sustained while employed in a PERS-covered job, or
- Member was on an official leave of absence from a PERS-covered job at the time of death.

Disability Benefits

A member with 10 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 (including PERS judge members) 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 monthly benefit.

Benefit Changes after Retirement

Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations caused by changes in the fair value of the underlying global equity investments of that account.

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Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA in fiscal year 2015 and beyond will vary based on the amount of the annual benefit, in accordance with *Moro* decision. The COLA is capped at 2.0 percent.

OPSRP Defined Benefit Pension Program (OPSRP DB) – This Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003.

Pension Benefits

This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

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

General Service: 1.5 percent 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.

A member of the OPSRP Pension Program becomes 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, and, 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 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit Changes After Retirement

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA in fiscal year 2015 and beyond will vary based on the amount of the annual benefit, in accordance with *Moro* decision. The COLA is capped at 2.0 percent.

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OPSRP Individual Account Program (OPSRP IAP) - Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member's IAP account. OPSRP is part of OPERS and is administered by the OPERS Board.

Pension Benefits

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes 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, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP Individual Account Program (IAP), may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death Benefits

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Contributions

OPERS 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 OPERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2020 actuarial valuation, which became effective July 20, 2021.

The State of Oregon and certain schools, community colleges, and political subdivisions have made unfunded actuarial liability payments, and their rates have been reduced. Member contributions are set by statute at six percent of salary and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the members' behalf. As permitted, the Authority has opted to pick-up the contributions on behalf of its employees. Employer contributions for the year ended June 30, 2023 were \$1,126,197.

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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2023

Annual Comprehensive Financial Report (ACFR)

Additional disclosures related to Oregon PERS not applicable to specific employers are available by contacting PERS at the following address: PO Box 23700 Tigard, OR 97281-3700, or can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2021-ACFR.pdf>

Actuarial Valuations

The employer contribution rates effective June 30, 2022 were set using the entry age normal actuarial cost method. For the 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), (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 20 years. For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an actuarially determined amount for funding a disability benefit component, and (c) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 16 years.

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2020
Measurement Date	June 30, 2022
Experience Study	2020, published July 20, 2021
<i>Actuarial Assumptions:</i>	
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 (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/.15%) in accordance with <i>Moro</i> decision; blend based on service.

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NOTES TO BASIC FINANCIAL STATEMENTS

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Mortality	<p>Health 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.</p> <p>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.</p> <p>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.</p>
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Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts 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 on the 2020 Experience Study, which reviewed experience for the four-year period ended December 31, 2020. There were no differences between the assumptions and plan provisions used for June 30, 2022 measurement date calculations compared to those shown above.

Actuarial Methods and Assumptions

Assets are valued at their market value. Gains and losses between odd-year valuations are amortized as a level percentage of combined valuation payroll over 20 years from the odd-year valuation in which they are first recognized. For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Oregon PERS and additions to/deductions from Oregon PERS' fiduciary net position have been determined on the same basis as they are reported by Oregon PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent.

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NOTES TO BASIC FINANCIAL STATEMENTS

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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 pension 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.

Depletion Date Projection

GASB 68 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 OPERS:

- OPERS 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 our 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.

LANE FIRE AUTHORITY
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NOTES TO BASIC FINANCIAL STATEMENTS

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Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2022 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. For more 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, see PERS’ audited financial statements at:

<https://www.oregon.gov/pers/Documents/Financials/ACFR/2022-Annual-Comprehensive-Financial-Report.pdf>

OIC Target and Actual Investment Allocation as of June 30, 2022

<u>Asset Class/Strategy</u>	<u>OIC Policy Low Range</u>	<u>OIC Policy High Range</u>	<u>OIC Target Allocation</u>	<u>Actual Allocation²</u>
Debt Securities	15.0%	25.0%	20.0%	19.8%
Public Equity	25.0%	35.0%	30.0%	21.2%
Real Estate	7.5%	17.5%	12.5%	13.6%
Private Equity	15.0%	27.5%	20.0%	28.0%
Risk Parity	0.0%	3.5%	2.5%	2.0%
Real Assets	2.5%	10.0%	7.5%	7.9%
Diversifying Strategies	2.5%	10.0%	7.5%	4.9%
Opportunity Portfolio ¹	0.0%	5.0%	0.0%	2.6%
Total			100.0%	100.0%

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

² Based on the actual investment value at 6/30/2022.

³ October 2021, the Alternative Portfolio was split into Real Assets and Diversifying Strategies.

C. Concentrations - Collective Bargaining

At June 30, 2023, the Authority had 30 staff covered under a collective bargaining agreement. The existing agreement continues through June 30, 2023.

LANE FIRE AUTHORITY
Lane County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2023

D. Tax Abatement

Lane County has established an enterprise zone under ORS 285C that abates property taxes on properties within the enterprise zone. As a result, the property taxes the Authority will receive for the 2021-2022 levy year have been reduced by \$148,289. Information for the 2022-2023 levy year was not available at the time of publication.

E. New Pronouncements

For the fiscal year ended June 30, 2023, the Authority implemented the following new accounting standards:

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability of Arrangements* - This Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs).

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* - This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users.

GASB Statement No. 99, *Omnibus 2022*. This statement was issued April 2022 and enhances comparability in accounting and financial reporting to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to lease implementation, public-private and public-public partnerships and availability payment arrangements, and subscription-based information technology arrangements.

GASB Statement No. 101, *Compensated Absences*. This statement was issued to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

The Authority will implement applicable new GASB pronouncements no later than the required fiscal year. Management has not determined the effect on the financial statements for implementing any of the following pronouncements:

GASB Statement No. 99, *Omnibus 2022*. This statement was issued April 2022 and enhances comparability in accounting and financial reporting to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to financial guarantees and classification of derivatives.

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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2023

GASB Statement No. 100, *Accounting Changes and Error Corrections*. This statement was issued to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

F. Subsequent Events

Management has evaluated subsequent events through September 18, 2023, which was the date that the modified cash basis financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

LANE FIRE AUTHORITY
Lane County, Oregon

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Variance with Final Budget Over (Under)	Actual		Modified Cash Basis
				Budget Basis	Adjustments	
REVENUES						
Property taxes	\$ 6,194,245	\$ 6,194,245	\$ 280,510	\$ 6,474,755	\$ -	\$ 6,474,755
Charges for services	2,452,100	2,652,039	635,941	3,287,980	-	3,287,980
Grant revenue	1,046,080	1,046,080	(726,080)	320,000	-	320,000
Contract services	772,670	772,670	-	772,670	-	772,670
Investment earnings	10,000	10,000	61,300	71,300	-	71,300
Miscellaneous	20,000	20,000	72,317	92,317	-	92,317
Total revenues	<u>10,495,095</u>	<u>10,695,034</u>	<u>323,988</u>	<u>11,019,022</u>	<u>-</u>	<u>11,019,022</u>
EXPENDITURES						
Current						
Personnel services	7,202,617	7,353,800	(162,752)	7,191,048	-	7,191,048
Materials and services	1,964,772	2,063,166	(15,176)	2,047,990	-	2,047,990
Capital outlay	1,730,140	1,730,140	(308,310)	1,421,830	-	1,421,830
Debt service	152,023	202,385	-	202,385	1,026,528	1,228,913
Contingency	100,000	-	-	-	-	-
Total expenditures	<u>11,149,552</u>	<u>11,349,491</u>	<u>(486,238)</u>	<u>10,863,253</u>	<u>1,026,528</u>	<u>11,889,781</u>
Excess (deficiency) of revenues over (under) expenditures	(654,457)	(654,457)	810,226	155,769	(1,026,528)	(870,759)
OTHER FINANCING SOURCES (USES)						
Loan proceeds	2,204,060	2,204,060	(814,250)	1,389,810	-	1,389,810
Sale of assets	100	100	400	500	-	500
Special payments	(1,817,000)	(1,817,000)	(790,472)	(1,026,528)	(1,026,528)	-
Total other financing sources (uses)	<u>387,160</u>	<u>387,160</u>	<u>2,029,678</u>	<u>2,416,838</u>	<u>(1,026,528)</u>	<u>1,390,310</u>
Net change in fund balance	(267,297)	(267,297)	(794,096)	519,551	(2,053,056)	519,551
Fund balance - beginning	<u>650,000</u>	<u>650,000</u>	<u>1,445,987</u>	<u>2,095,987</u>	<u>-</u>	<u>2,095,987</u>
Fund balance - ending	<u>\$ 382,703</u>	<u>\$ 382,703</u>	<u>\$ 651,891</u>	<u>\$ 2,615,538</u>	<u>\$ (2,053,056)</u>	<u>\$ 2,615,538</u>

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DETAIL OF EXPENDITURES

GENERAL FUND

For the Year Ended June 30, 2023

	Actual Budget Basis	Final Budget	Variance with Final Budget Over (Under)
EXPENDITURES			
30.0 · PERSONNEL SERVICES			
30 · SALARIES			
3011 · Fire Chief	\$ 147,794.55	\$ 154,906.00	\$ (7,111.45)
3012 · Assistant Chief	140,964.98	140,965.00	(0.02)
3014 · Line Captain	319,327.49	312,413.00	6,914.49
3015 · Lieutenant	565,937.90	662,771.00	(96,833.10)
3016 · Engineer	1,141,885.38	1,268,875.00	(126,989.62)
3017 · Firefighter	260,446.06	79,284.00	181,162.06
3018 · Training Officer	195,409.58	201,925.00	(6,515.42)
3020 · Maintenance Officer	106,102.36	106,102.00	0.36
3022 · Code Enforcement Officer	104,367.85	99,535.00	4,832.85
3023 · Business Manager	109,913.44	109,914.00	(0.56)
3024 · Executive Secretary	64,858.56	64,858.00	0.56
3025 · Temporary/Seasonal Workers			
3025.1 · Tender Standby	3,000.00	-	3,000.00
3025 · Temporary/Seasonal Workers - Other	49,966.95	69,000.00	(19,033.05)
Total 3025 · Temporary/Seasonal Workers	52,966.95	69,000.00	(16,033.05)
3026 · Overtime			
3026.1 · FLSA 1/2 & FLSA OT	676,257.55	760,652.00	(84,394.45)
3026.3 · Comp Time - Cash Out	173,391.63	-	173,391.63
3026 · Overtime - Other	19,175.06	-	19,175.06
Total 3026 · Overtime	868,824.24	760,652.00	108,172.24
3027 · Vacation Liability	210,643.89	239,000.00	(28,356.11)
3029 · Part-time Single Role Medics	17,692.32	45,000.00	(27,307.68)
3030 · Conflagration Wages			
3030.1 · Conflag Hourly	19,538.44	18,615.68	922.76
3030.2 · Conflag OT	109,941.12	94,372.11	15,569.01
3030.3 · Conflag Backfill OT	1,959.63	1,420.02	539.61
Total 3030 · Conflagration Wages	131,439.19	114,407.81	17,031.38
3031 · Recruitment Coordinator	42,588.05	42,590.00	(1.95)
3032 · General Service Maint. Worker	38,732.97	43,131.00	(4,398.03)
3033 · Board Member Payments	4,750.00	6,000.00	(1,250.00)
3034 · Student Residents	18,068.75	36,600.00	(18,531.25)
Total 30 · SALARIES	4,542,714.51	4,557,928.81	(15,214.30)

(continued)

LANE FIRE AUTHORITY
Lane County, Oregon

DETAIL OF EXPENDITURES

GENERAL FUND

For the Year Ended June 30, 2023

	Actual		Variance with
	Budget	Final	Final Budget
	Basis	Budget	Over (Under)
(continued)			
30.4 · EMPLOYER PAYROLL EXPENSE			
3051 · FICA Expense	344,707.43	348,673.55	(3,966.12)
3052 · State Unemployment Expense	5,084.83	1,000.00	4,084.83
3053 · Retirement	1,126,197.15	1,213,046.45	(86,849.30)
3054 · Medical & Dental Insurance	989,349.71	999,476.00	(10,126.29)
3055 · AD&D Insurance	52,041.81	53,600.00	(1,558.19)
3056 · Workers' Compensation	92,447.27	130,000.00	(37,552.73)
3058 · Workers' Benefit Fund Expense	1,095.45	1,074.00	21.45
Total 30.4 · EMPLOYER PAYROLL EXPENSE	2,610,923.65	2,746,870.00	(135,946.35)
30.7 · VOLUNTEER PROGRAM			
3071 · Volunteer FF LOSAP	17,580.22	9,000.00	8,580.22
3072 · Volunteer FF Reimbursement	19,833.64	40,000.00	(20,166.36)
Total 30.7 · VOLUNTEER PROGRAM	37,413.86	49,000.00	(11,586.14)
Total 30.0 · PERSONNEL SERVICES	7,191,052.02	7,353,798.81	(162,746.79)
			(continued)

LANE FIRE AUTHORITY
Lane County, Oregon
DETAIL OF EXPENDITURES
GENERAL FUND
For the Year Ended June 30, 2023

	<u>Actual</u> Budget Basis	<u>Final</u> Budget	Variance with Final Budget Over (Under)
(continued)			
32.0 · MATERIALS AND SERVICES			
32 · ADMINISTRATION AND BUSINESS			
3211 · Office Supplies, Printing, Copy	16,238.16	20,000.00	(3,761.84)
3212 · M & R Office & Computer Systems	53,404.60	53,000.00	404.60
3213 · Postage and Freight	1,827.50	10,000.00	(8,172.50)
3214 · Magazines & Periodicals	-	100.00	(100.00)
3221 · Telephone and Internet Service	56,632.81	52,000.00	4,632.81
3222 · Electronic Communications	55,844.25	51,000.00	4,844.25
3223 · Utilities-Elec/Water/Sewer	76,524.23	75,000.00	1,524.23
3224 · Garbage	7,941.48	7,500.00	441.48
3225 · Heating Gas and Oil	55,463.08	38,000.00	17,463.08
3226 · Laundry Services	12,534.02	11,000.00	1,534.02
3231 · Vehicle Fuel	154,558.55	122,000.00	32,558.55
3241 · Banking Services	2,535.19	3,000.00	(464.81)
3242 · Accounting Services	21,500.00	22,000.00	(500.00)
3243 · Legal Services and Consulting	7,454.50	10,000.00	(2,545.50)
3244 · Dispatch	325,612.14	345,650.00	(20,037.86)
3251 · Insurance	133,043.00	130,000.00	3,043.00
3252 · Elections and Legal Notices	397.20	4,000.00	(3,602.80)
3253 · Dues and Memberships	8,983.61	10,000.00	(1,016.39)
3261 · Training - Admin Staff	1,957.50	7,000.00	(5,042.50)
3262 · Training - Board of Directors	877.50	2,000.00	(1,122.50)
3263 · Travel - Admin Staff	5,263.75	7,000.00	(1,736.25)
3264 · Travel - Board of Directors	3,076.50	2,000.00	1,076.50
3265 · Chiefs' Expense Account	1,036.50	1,000.00	36.50
3271 · Uniforms	38,667.59	30,000.00	8,667.59
3281 · Rent	5.00	5.00	-
3291 · Water, Food, and Condiments	8,768.95	4,000.00	4,768.95
Total 32 · ADMINISTRATION AND BUSINESS	<u>1,050,147.61</u>	<u>1,017,255.00</u>	<u>32,892.61</u>
			(continued)

LANE FIRE AUTHORITY
Lane County, Oregon
DETAIL OF EXPENDITURES
GENERAL FUND

For the Year Ended June 30, 2023

	Actual		Variance with
	Budget	Final	Final Budget
	Basis	Budget	Over (Under)
(continued)			
33 · RECRUITMENT AND RENTENTION			
3311 · Recruiting and Exams	1,535.64	1,000.00	535.64
3312 · Recruit Training	1,375.00	1,000.00	375.00
3313 · Volunteer Support	51,187.02	40,000.00	11,187.02
3314 · Civil Service Commission	5,025.00	100.00	4,925.00
3315 · FireMed Memberships	-	6,000.00	(6,000.00)
3316 · DPSST Fingerprinting/Background	4,645.00	1,500.00	3,145.00
Total 33 · RECRUITMENT AND RENTENTION	63,767.66	49,600.00	14,167.66
33.1 · STUDENT RESIDENT PROGRAM			
3321 · School tuition, books, and fees	19,338.74	43,200.00	(23,861.26)
Total 33.1 · STUDENT RESIDENT PROGRAM	19,338.74	43,200.00	(23,861.26)
33.2 · HEALTH AND SAFETY PROGRAM			
3331 · Preventative Medical			
3331.1 · Medical Evaluations - Renewals	14,841.00	25,471.00	(10,630.00)
3331.2 · Medical Evaluals - New Recruits	13,744.00	19,446.00	(5,702.00)
3331.4 · Vaccinations	505.00	1,050.00	(545.00)
3332.1 · Gym Memberships	327.92	3,000.00	(2,672.08)
3332.2 · Peer Fitness Trainer Cert.	345.79	400.00	(54.21)
Total 3331 · Preventative Medical	29,763.71	49,367.00	(19,603.29)
3333 · Employee Assistance Program	1,375.00	2,750.00	(1,375.00)
Total 33.2 · HEALTH AND SAFETY PROGRAM	31,138.71	52,117.00	(20,978.29)
34 · FIRE AND RESCUE OPS PROGRAM			
3411 · Supplies - Fire Suppression	8,732.55	6,000.00	2,732.55
3412 · M & R - Fire Equipment	42,696.22	55,000.00	(12,303.78)
3413 · Safety Supplies	4,775.83	7,000.00	(2,224.17)
3422 · Address Markers	-	2,000.00	(2,000.00)
3431 · Water Sources & Hydrant Testing	8.20	1,000.00	(991.80)
Total 34 · FIRE AND RESCUE OPS PROGRAM	56,212.80	71,000.00	(14,787.20)
			(continued)

LANE FIRE AUTHORITY
Lane County, Oregon
DETAIL OF EXPENDITURES
GENERAL FUND
For the Year Ended June 30, 2023

	<u>Actual</u> <u>Budget</u> <u>Basis</u>	<u>Final</u> <u>Budget</u>	<u>Variance with</u> <u>Final Budget</u> <u>Over (Under)</u>
(continued)			
35 · FIRE & RESCUE TRAINING PROGRAM			
3511 · Fire Training Supplies	2,050.22	6,000.00	(3,949.78)
3512 · M & R - Training Equipment	-	200.00	(200.00)
3521 · Fire Training Classes	1,563.00	4,000.00	(2,437.00)
3522 · Training Travel	3,100.10	4,000.00	(899.90)
Total 35 · FIRE & RESCUE TRAINING PROGRAM	<u>6,713.32</u>	<u>14,200.00</u>	<u>(7,486.68)</u>
36 · EMERGENCY MEDICAL SERVICES PGRM			
3611 · EMS Supplies	127,761.53	130,500.00	(2,738.47)
3613 · EMS M & R Equipment	5,118.00	15,100.00	(9,982.00)
3632 · EMS Continuing Education	400.00	10,000.00	(9,600.00)
3633 · EMT Recertification	4,710.00	6,000.00	(1,290.00)
3641 · Physician Advisor	31,500.00	31,500.00	-
3642 · Ambulance Billing	122,726.17	80,000.00	42,726.17
Total 36 · EMERGENCY MEDICAL SERVICES PGRM	<u>292,215.70</u>	<u>273,100.00</u>	<u>19,115.70</u>
37 · MAINTENANCE PROGRAM			
3711 · Materials & Supplies - Building	24,895.57	52,500.00	(27,604.43)
3712 · Materials & Supplies -Apparatus	108,665.37	107,469.19	1,196.18
3713 · Materials & Supplies-Radio/Elec	1,694.78	3,000.00	(1,305.22)
3721 · Sublet Maint & Repair -Building	103,076.00	77,169.26	25,906.74
3722 · Sublet Maint & Repair -Vehicles	261,720.69	283,755.69	(22,035.00)
3723 · Maintenance & Repair-Radio/Elec	5,250.36	5,000.00	250.36
Total 37 · MAINTENANCE PROGRAM	<u>505,302.77</u>	<u>528,894.14</u>	<u>(23,591.37)</u>
38 · FIRE PREVENTION & PUB ED PRGM			
3811 · Public Education - Supplies	2,805.45	3,000.00	(194.55)
3812 · Fire Prevention Supplies	3,254.53	1,500.00	1,754.53
3813 · Training - Prevention & Pub Ed	1,481.76	300.00	1,181.76
Total 38 · FIRE PREVENTION & PUB ED PRGM	<u>7,541.74</u>	<u>4,800.00</u>	<u>2,741.74</u>
			(continued)

LANE FIRE AUTHORITY
Lane County, Oregon
DETAIL OF EXPENDITURES

GENERAL FUND

For the Year Ended June 30, 2023

	Actual Budget Basis	Final Budget	Variance with Final Budget Over (Under)
(continued)			
39.4 · EXTERNAL TRAINING PROGRAM			
3941 · External Training & Supplies	15,606.19	9,000.00	6,606.19
Total 39.4 · EXTERNAL TRAINING PROGRAM	15,606.19	9,000.00	6,606.19
Total 32.0 · MATERIALS AND SERVICES	2,047,985.24	2,063,166.14	(15,180.90)
40.0 · CAPITAL OUTLAY - SMALL EQUIPMNT			
40 · SMALL EQUIPMENT			
4001 · Vehicle Equipment	173,681.78	295,181.00	(121,499.22)
4002 · Building Equipment	41,733.20	80,000.00	(38,266.80)
4011 · EMS Equipment - Capital	73,128.02	98,000.00	(24,871.98)
4021 · Fire Suppression Equip -Capital	75,457.01	97,745.00	(22,287.99)
4022 · Fire Training Equip. - Capital	14,426.29	20,000.00	(5,573.71)
4031 · Rescue Equipment - Capital	26,887.98	73,490.00	(46,602.02)
4041 · Safety Equipment - Capital	50,309.18	40,000.00	10,309.18
4051 · Communications Equip - Capital	19,695.97	80,000.00	(60,304.03)
4061 · Shop Equip & Tools - Capital	-	2,000.00	(2,000.00)
4071 · Office Equipment - Capital	10,280.75	5,000.00	5,280.75
Total 40 · SMALL EQUIPMENT	485,600.18	791,416.00	(305,815.82)
Total 40.0 · CAPITAL OUTLAY - SMALL EQUIPMNT	485,600.18	791,416.00	(305,815.82)
40.1 · CAPITAL EXPENDITURES			
4092 · Ambulance Purchase	936,229.80	938,724.00	(2,494.20)
Total 40.1 · CAPITAL EXPENDITURES	936,229.80	938,724.00	(2,494.20)
Total 40 - 40.1 · CAPITAL OUTLAY	1,421,829.98	1,730,140.00	(308,310.02)
40.2 · SPECIAL PAYMENTS			
4095 · Tax Anticipation Note Repayment	1,026,527.78	1,817,000.00	(790,472.22)
Total 40.2 · SPECIAL PAYMENTS	1,026,527.78	1,817,000.00	(790,472.22)
51.0 · Debt Service			
5101 · Flex Lease - Principal	170,309.65	170,309.65	-
5102 · Flex Lease - Interest	17,009.14	17,009.14	-
5103 · Station 101 Property Payment	15,065.76	15,065.76	-
Total 51.0 · Debt Service	202,384.55	202,384.55	-
Total Expense	\$ 11,889,779.57	\$ 13,166,489.50	\$ (1,276,709.93)

**AUDIT COMMENTS AND DISCLOSURES REQUIRED BY
STATE REGULATIONS**



**INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS**

Board of Directors
Lane Fire Authority
Veneta, Oregon 97487

We have audited the basic modified cash basis financial statements of Lane Fire Authority as of and for the year ended June 30, 2023 and have issued our report thereon dated September 18, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether Lane Fire Authority's modified cash basis 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 162-010-0000 through 162-010-0320 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)

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 Authority was not in substantial compliance with certain provisions of laws, contracts, and grants, including the provisions of Oregon Revised Statutes, as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except as follows:

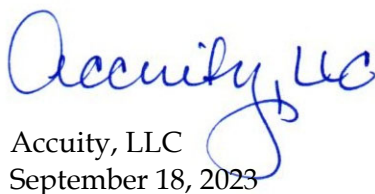
1. Public Contracting Violation

During the year ended June 30, 2023, the Authority did not retain and document the appropriate bids and/or quotes, as required by public contracts and purchasing regulations.

OAR 162-010-0230 Internal Control

In planning and performing our audit, we considered Lane Fire Authority’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the modified cash basis financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lane Fire Authority’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Lane Fire Authority’s internal control over financial reporting. However, we noted certain matters that we have reported to management of the Authority in a separate letter dated September 18, 2023.

This report is intended solely for the information and use of the board of directors and management of Lane Fire Authority and the Oregon Secretary of State, and is not intended to be, and should not be used by anyone other than these parties.


Accuity, LLC
September 18, 2023