LEBANON FIRE DISTRICT
Lebanon, Oregon

ANNUAL FINANCIAL REPORT

June 30, 2022

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CERTIFIED PUBLIC ACCOUNTANTS
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LEBANON FIRE DISTRICT
Lebanon, Oregon

DISTRICT OFFICIALS

June 30, 2022

BOARD OF DIRECTORS

Robert Taylor, President
39554 Lacomb Drive
Lebanon, Oregon 97355

Michael Schrader, Vice President
2355 Mountain River Drive
Lebanon, Oregon 97355

Dale White, Secretary-Treasurer
PO Box 461
Lebanon, Oregon 97355

Wyatt King
PO Box 157
Lebanon, Oregon 97355

Allen Forster
34391 Meridian Road
Lebanon, Oregon 97355

FIRE CHIEF

Joseph Rodondi
1050 W Oak Street
Lebanon, Oregon 97355

LEGAL COUNSEL

Local Government Law Group, P.C.
Speer Hoyt LLC
975 Oak Street, Suite 700
Eugene, Oregon 97401

LEBANON FIRE DISTRICT
Lebanon, Oregon

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FINANCIAL SECTION

Where accuracy meets integrity
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Lebanon Fire District
Lebanon, Oregon 97355

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the remaining fund information of Lebanon Fire District, Lebanon, Oregon, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the remaining fund information of Lebanon Fire District, Lebanon, Oregon as of June 30, 2022, and the respective changes in financial position thereof 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 and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Lebanon Fire District, Lebanon, 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 – Change in Accounting Principle

As described in the notes to the financial statements, in the year ended June 30, 2022, the District adopted new accounting guidance: GASB Statement No. 83, *Certain Asset Retirement Obligations,* Statement No. 87, *Leases,* Statement No. 92, *Omnibus 2020*, and Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statement No. 14 and No. 84, and a supersession of GASB Statement No. 32*. 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 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 misstatements, whether due to fraud or error.

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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 Lebanon Fire 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.

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 and *Government 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 and *Government 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 Lebanon Fire District, Lebanon, 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 Lebanon Fire District, Lebanon, 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of the District's proportionate share of the net pension liability and District contributions for PERS and OPEB RHIA, the schedules of changes in OPEB liability and related ratios – OPEB medical benefit, and the budgetary comparison information on pages 5 through 11, and 59 through 62, respectively, be presented to supplement the basic financial statements. Such information, 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 management's discussion and analysis, the schedules of the District's proportionate share of the net pension liability and District contributions for PERS and OPEB RHIA, the schedules of changes in OPEB liability and related ratios – OPEB medical benefit in accordance with auditing standards generally accepted in the United States of America, 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 management's discussion and analysis, the schedules of the District's proportionate share of the net pension liability and District contributions for PERS and OPEB RHIA, the schedules of changes in OPEB liability and related ratios – OPEB medical benefit because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison information is the responsibility of management and is derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The budgetary comparison 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lebanon Fire District, Lebanon, Oregon's basic financial statements. The accompanying combining and individual fund financial statements, if applicable, 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 auditing standards generally accepted in the United States of America.

In our opinion, the individual fund financial statements, if applicable, are 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 other financial schedules 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 Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2022, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lebanon Fire District's internal control over financial reporting and compliance.

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 October 24, 2022 on our tests of the District'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: ______________________
Kori L. Sarrett, CPA

Albany, Oregon
October 24, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

LEBANON FIRE DISTRICT
Lebanon, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

INTRODUCTION

As management of Lebanon Fire District, Lebanon, Oregon, we offer readers this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2022. It should be read in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- At June 30, 2022, total net position of Lebanon Fire District amounted to $(77,938). Of this amount, $5,312,859 was invested in capital assets, net of related debt. The remaining balance included $14,634,545 restricted for bond projects and $(20,025,342) of unrestricted net position.
- The District's total net position decreased by $33,199 during the current fiscal year.
- Overall expenses were $10,072,146, which exceeded total revenues of $10,038,947 by $33,199.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Lebanon Fire 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 financial statements. This report also contains 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.

The statement of net position presents information on all of the District's assets and liabilities with the difference between the two 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).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include fire suppression and administrative support.

The business-type activities of the District include an ambulance transport service. The government-wide financial statements can be found on pages 12 through 13 of this report.

Fund Financial Statements

The fund financial statements are designed to demonstrate compliance with finance-related legal requirements overseeing the use of fund accounting. 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. All of the funds of Lebanon Fire District can be divided into two categories: governmental funds and proprietary funds.

- **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 statements focus on near-term inflows and outflows of available resources, as well as on balances of available resources at the end of the fiscal year. Such information may be useful in evaluating the District'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 District's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

  The District maintains three individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Reserve, and Debt Service Funds, all of which are considered to be major governmental funds.

  Lebanon Fire District adopts an annual appropriated budget for all of its funds. A budgetary comparison statement has been provided for each fund individually to demonstrate compliance with their respective budgets.

  The basic governmental fund financial statements can be found on pages 14 through 17 of this report.

- **Proprietary Funds**

  Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The District maintains one enterprise fund.

  Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses the enterprise fund to account for ambulance transportation services.

  The basic proprietary fund financial statements can be found on pages 18 through 20 of this report.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the financial data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 21 through 58 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, which includes the schedules of the District's proportionate share of the net pension liability and District contributions for PERS and OPEB RHIA, the schedules of changes in OPEB liability and related ratios – medical benefit, and budgetary comparison information for the General Fund. This required supplementary information can be found on page 59 through 62 of this report.

Individual fund schedules can be found immediately following the required supplementary information on pages 63 through 65 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. The District's liabilities exceeded assets by $77,938 at the close of the most recent fiscal year.

A large portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, and equipment) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

LEBANON FIRE DISTRICT
Lebanon, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

District's Net position

The District's net position decreased by $33,199 due to increases in the cost of providing services.

Condensed statement of net position information is shown below.

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Assets						
Current and other assets	$ 3,424,622	$ 3,462,973	$ 1,355,093	$ 1,351,167	$ 4,779,715	$ 4,814,140
Restricted assets	14,634,545	15,191,519	-	-	14,634,545	15,191,519
Net capital assets	5,640,478	5,502,828	472,381	513,103	6,112,859	6,015,931
Total assets	23,699,645	24,157,320	1,827,474	1,864,270	25,527,119	26,021,590
Deferred outflows of resources	2,947,073	3,256,640	2,676,291	2,965,640	5,623,364	6,222,280
Liabilities						
Current liabilities	722,476	772,126	65,952	58,051	788,428	830,177
Noncurrent liabilities	21,151,329	23,816,297	4,217,166	6,413,900	25,368,495	30,230,197
Total liabilities	21,873,805	24,588,423	4,283,118	6,471,951	26,156,923	31,060,374
Deferred inflows of resources	2,657,852	640,159	2,413,646	588,076	5,071,498	1,228,235
Net position						
Net investment in capital assets	4,840,478	4,599,828	472,381	513,103	5,312,859	5,112,931
Restricted	14,634,545	15,191,519	-	-	14,634,545	15,191,519
Unrestricted	(17,359,962)	(17,605,969)	(2,665,380)	(2,743,220)	(20,025,342)	(20,349,189)
Total net position	$ 2,115,061	$ 2,185,378	$ (2,192,999)	$ (2,230,117)	$ (77,938)	$ (44,739)

District's Changes in Net position

The condensed statement of activities information shown below explains changes in net position.

Changes in Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Program revenues						
Fire suppression and prevention	$ 464,331	$ 1,207,765	$ -	$ -	$ 464,331	$ 1,207,765
Ambulance	-	-	3,700,464	3,136,214	3,700,464	3,136,214
Total program revenues	464,331	1,207,765	3,700,464	3,136,214	4,164,795	4,343,979
General revenues						
Property taxes - general	4,970,412	4,681,574	-	-	4,970,412	4,681,574
Property taxes - debt service	703,985	793,283	-	-	703,985	793,283
Investment earnings	116,109	156,467	-	-	116,109	156,467
Miscellaneous	79,723	50,795	3,923	392	83,646	51,187
Total general revenues	5,870,229	5,682,119	3,923	392	5,874,152	5,682,511
Total revenues	6,334,560	6,889,884	3,704,387	3,136,606	10,038,947	10,026,490
Program expenses						
Fire suppression	3,410,879	4,848,478	-	-	3,410,879	4,848,478
Fire prevention	573,179	478,290	-	-	573,179	478,290
Administrative	1,846,735	1,758,955	-	-	1,846,735	1,758,955
Interest on long-term debt	574,084	634,085	-	-	574,084	634,085
Ambulance	-	-	3,667,269	4,115,444	3,667,269	4,115,444
Total program expenses	6,404,877	7,719,808	3,667,269	4,115,444	10,072,146	11,835,252
Transfers	-	(240,000)	-	240,000	-	-
Change in net position	(70,317)	(1,069,924)	37,118	(738,838)	(33,199)	(1,808,762)
Net position - beginning of year	2,185,378	3,255,302	(2,230,117)	(1,491,279)	(44,739)	1,764,023
Net position - end of year	$ 2,115,061	$ 2,185,378	$ (2,192,999)	$ (2,230,117)	$ (77,938)	$ (44,739)

FINANCIAL ANALYSIS OF THE DISTRICT'S 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 near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measurement of the District's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the District's governmental funds reported combined fund balances of $17,790,793, a decrease of $439,591 from the prior year.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, total fund balance of the General Fund amounted to $285,218, an increase of $139,744 from the prior year.

Proprietary Funds

The District's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Total net position of the proprietary fund amounted to a deficit of $2,192,999 at year-end. Of this amount, $472,381 was invested in capital assets and the remaining balance was a deficit of $2,665,380.

BUDGETARY HIGHLIGHTS

Budget amounts shown in the financial statements reflect the original budget amounts, one supplemental budget, and one approved appropriation change.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Lebanon Fire District's investment in capital assets for its governmental and business-type activities as of June 30, 2022 amounted to $5,640,478 and $472,381 (net of accumulated depreciation), respectively. This investment in capital assets includes land, buildings, equipment, and vehicles. Total depreciation expense related to the District's investment in capital assets for its governmental and business-type activities amounted to $415,141 and $84,538 respectively.

Additional information on the District's capital assets can be found on pages 32 through 33 of this report.

Long-Term Liabilities

At the end of the current fiscal year, the District had total debt outstanding of $16,743,481. This amount comprises debt backed by general obligation bonds, full faith and credit bonds, and bond premiums. The District's total debt decreased by $220,478 during the current year.

Additional information on the District's long-term debt can be found on pages 34 through 35 of this report.

KEY ECONOMIC FACTORS AND BUDGET INFORMATION FOR THE FUTURE

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that could affect its future financial health:

- The organizational priorities include: Evaluate and invest in facilities and equipment; Evaluate and invest in career development and succession planning, and; embark on a financial evaluation of the District to develop a long-term financial strategy. This budget includes a $425,000 investment in facilities, fleet, and leadership development. This budget balances the investment in Board priorities while providing for continued support of our core services, ensuring that spending is paid for with ongoing revenues and building upon a prudent level of reserve funds for larger future purchases and other liabilities.

- This year's budget includes a revenue increase in our ambulance GEMT (Ground Emergency Medical Transportation) that includes FFS (Fess For Service) and a new CCO (Coordinated Care Organization) program. The CCO program was introduced in January 2021 and saw a marked increase of revenue into our ambulance enterprise fund. This new program is being formalized for 2022 and over $800,000 in projected GEMT revenue is included in this 2022/2023 budget.

- Budget highlights for 2022/2023: The $39,796,562 budget includes Salaries and Benefits of $7,341,405; Materials and Supplies of $2,122,700; Capital Assets of $11,594,500; Special Payments of $1,062,000 which includes retiree expenses and leave reserves; and Debt and Contingency of $17,675,957. Funded Board priorities include $175,000 for station repairs, which includes $110,000 for a new roof at Station 34; $230,000 purchase of a new ambulance, and $10,000 in leadership training.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of District's finances for all those with an interest. Questions concerning any of the information provided in this report or request for additional information should be addressed to Joseph Rodondi, Fire Chief, Lebanon Fire District, 1050 W. Oak Street, Lebanon, Oregon 97355.

BASIC FINANCIAL STATEMENTS

LEBANON FIRE DISTRICT
Lebanon, Oregon

STATEMENT OF NET POSITION

June 30, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	$ 3,038,377	$ 979,321	$ 4,017,698
Accounts receivable, net of allowance for uncollectibles	42,497	326,609	369,106
Property taxes receivable	189,755	-	189,755
Prepaid expenses	100,733	-	100,733
Total current assets	3,371,362	1,305,930	4,677,292
Restricted assets			
Cash restricted for bond projects and debt service	14,608,792	-	14,608,792
Property taxes receivable restricted for debt service	25,753	-	25,753
Total restricted assets	14,634,545	-	14,634,545
Net OPEB RHIA asset	53,260	49,163	102,423
Capital assets not being depreciated	794,296	9,538	803,834
Capital assets, net of accumulated depreciation	4,846,182	462,843	5,309,025
Total assets	23,699,645	1,827,474	25,527,119
DEFERRED OUTFLOWS OF RESOURCES	2,947,073	2,676,291	5,623,364
LIABILITIES			
Current liabilities			
Accounts payable	100,194	3,297	103,491
Payroll liabilities	-	50,340	50,340
Accrued interest payable	25,399	-	25,399
Compensated absences payable	360,883	12,315	373,198
Long-term liabilities, current portion	236,000	-	236,000
Total current liabilities	722,476	65,952	788,428
Noncurrent liabilities			
Long-term liabilities, less current portion	16,507,481	-	16,507,481
Net pension liability - PERS	2,745,200	2,534,030	5,279,230
Net OPEB medical benefit liability	1,898,648	1,683,136	3,581,784
Total noncurrent liabilities	21,151,329	4,217,166	25,368,495
Total liabilities	21,873,805	4,283,118	26,156,923
DEFERRED INFLOWS OF RESOURCES	2,657,852	2,413,646	5,071,498
NET POSITION			
Net investment in capital assets	4,840,478	472,381	5,312,859
Restricted for bond projects and debt service	14,634,545	-	14,634,545
Unrestricted	(17,359,962)	(2,665,380)	(20,025,342)
Total net position	$ 2,115,061	$ (2,192,999)	$ (77,938)

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

LEBANON FIRE DISTRICT
Lebanon, Oregon

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2022

		Program Revenues		Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities						
Fire suppression	$ 3,410,879	$ 285,007	$ -	$ (3,125,872)	$ -	$ (3,125,872)
Fire prevention	573,179	-	-	(573,179)	-	(573,179)
Administrative	1,846,735	-	179,324	(1,667,411)	-	(1,667,411)
Interest on long-term				-		
debt	574,084	-	-	(574,084)	-	(574,084)
Total governmental activities	$ 6,404,877	$ 285,007	$ 179,324	(5,940,546)	-	(5,940,546)
Business-type activities						
Ambulance	$ 3,667,269	$ 3,700,464	$ -	-	33,195	33,195
General revenues						
Property taxes levied for general purposes				4,970,412	-	4,970,412
Property taxes levied for debt service				703,985	-	703,985
Investment earnings				116,109	-	116,109
Miscellaneous				79,723	3,923	83,646
Total general revenues				5,870,229	3,923	5,874,152
Change in net position				(70,317)	37,118	(33,199)
Net position - beginning				2,185,378	(2,230,117)	(44,739)
Net position - ending				$ 2,115,061	$ (2,192,999)	$ (77,938)

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

LEBANON FIRE DISTRICT
Lebanon, Oregon

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2022

	General Fund	Reserve Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 153,665	$ 2,884,712	$ 14,608,792	$ 17,647,169
Accounts receivable	42,497	-	-	42,497
Property taxes receivable	189,755	-	25,753	215,508
Prepaid expenses	100,733	-	-	100,733
Total assets	$ 486,650	$ 2,884,712	$ 14,634,545	$ 18,005,907
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	$ 100,194	$ -	$ -	$ 100,194
Deferred inflows of resources				
Unavailable revenue - property taxes	101,238	-	13,682	114,920
Fund balances				
Nonspendable	100,733	-	-	100,733
Restricted	-	-	14,620,863	14,620,863
Committed	-	2,884,712	-	2,884,712
Unassigned	184,485	-	-	184,485
Total fund balances	285,218	2,884,712	14,620,863	17,790,793
Total liabilities, deferred inflows of resources, and fund balances	$ 486,650	$ 2,884,712	$ 14,634,545	$ 18,005,907

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

LEBANON FIRE DISTRICT
Lebanon, Oregon

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

June 30, 2022

Total fund balances		$ 17,790,793
Capital assets are not financial resources and are therefore not reported in the governmental funds. These amounts consist of:		
Cost	10,979,011	
Accumulated depreciation	(5,338,533)	5,640,478
Property tax revenue is recognized in the net position of governmental activities when the taxes are levied; however, in the governmental fund statements, it is recognized when available to be used for current year operations. Taxes not collected within 30 days of the end of the year are not considered available to pay for current year operations and are therefore not reported as revenue in the governmental funds.		114,920
Amounts relating to the District's proportionate share of net pension liability or assets for the Oregon Public Employees Retirement System (PERS) and OPEB are not reported in governmental fund statements. In the governmental fund statements, pension expense is recognized when due. Amounts consist of:		
Deferred outflows of resources relating to pension expense	2,947,073	
Deferred inflows of resources relating to the return on pension assets	(2,657,852)	
Net OPEB RHIA asset	53,260	
Net pension liability - PERS	(2,745,200)	
Net OPEB medical benefit liability	(1,898,648)	(4,301,367)
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:		
Accrued interest payable	(25,399)	
Compensated absences payable	(360,883)	
Bonds payable, including premiums	(16,743,481)	(17,129,763)
Net position of governmental activities		$ 2,115,061

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

LEBANON FIRE DISTRICT
Lebanon, Oregon

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended June 30, 2022

	General Fund	Reserve Fund	Debt Service Fund	Total Governmental Funds
REVENUES				
Property taxes	$ 5,066,403	$ -	$ 690,303	$ 5,756,706
Grants and contributions	179,324	-	-	179,324
Charges for services	285,007	-	-	285,007
Investment earnings	18,194	-	87,482	105,676
Miscellaneous	90,156	-	-	90,156
Total revenues	5,639,084	-	777,785	6,416,869
EXPENDITURES				
Current				
Fire suppression	3,311,926	-	-	3,311,926
Fire prevention	517,765	-	-	517,765
Administrative	1,639,402	-	-	1,639,402
Debt service	-	-	825,413	825,413
Capital outlay	561,954	-	-	561,954
Total expenditures	6,031,047	-	825,413	6,856,460
Excess (deficiency) of revenues over (under) expenditures	(391,963)	-	(47,628)	(439,591)
OTHER FINANCING SOURCES (USES)				
Transfers in	531,707	-	-	531,707
Transfers out	-	(31,707)	(500,000)	(531,707)
Total other financing sources (uses)	531,707	(31,707)	(500,000)	-
Net change in fund balances	139,744	(31,707)	(547,628)	(439,591)
Fund balances - beginning	145,474	2,916,419	15,168,491	18,230,384
Fund balances - ending	$ 285,218	$ 2,884,712	$ 14,620,863	$ 17,790,793

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

LEBANON FIRE DISTRICT
Lebanon, 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, 2022

Net change in fund balances		$ (439,591)
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 costs of these assets are 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	552,791	
Depreciation expense recorded in current year	(415,141)	137,650
Long-term debt proceeds are reported as other financing sources in the governmental funds. In the statement of net position, however, 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.		
Debt principal paid	208,000	
Amorization of bond premium	12,478	220,478
Prepaid insurance is recorded as an expense when paid in the governmental fund statements and amortized over the life of the policy in the government wide statements		(87,143)
Some expenses reported in the statement of activities do not require the use of current financial resources and are therefore not reported as expenditures in the governmental funds.		
Accrued interest	30,851	
Compensated absences	18,680	49,531
Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. On the statement of activities, property taxes are recognized as revenue when levied.		(82,309)
Pension and OPEB expenses or credits that do not meet the measurable and available criteria are not recognized as revenue or expense in the current year in the governmental funds. In the statement of activities, pension expense or credit is recognized when determined to have been accrued.		131,067
Change in net position		$ (70,317)

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

LEBANON FIRE DISTRICT
Lebanon, Oregon

STATEMENT OF NET POSITION

PROPRIETARY FUND

June 30, 2022

	Business-Type Activities
	Enterprise Fund
	Ambulance
ASSETS	
Current assets	
Cash and cash equivalents	$ 979,321
Accounts receivable, net of allowance for uncollectibles	326,609
Total current assets	1,305,930
Net OPEB RHIA asset	49,163
Capital assets not being depreciated	9,538
Capital assets being depreciated, net	462,843
Total assets	1,827,474
DEFERRED OUTFLOWS OF RESOURCES	2,676,291
LIABILITIES	
Current liabilities	
Accounts payable	3,297
Payroll liabilities	50,340
Compensated absences	12,315
Total current liabilities	65,952
Net pension liability - PERS	2,534,030
Net pension liability - OPEB medical benefit	1,683,136
Total liabilities	4,283,118
DEFERRED INFLOWS OF RESOURCES	2,413,646
NET POSITION	
Investment in capital assets	472,381
Unrestricted	(2,665,380)
Total net position	$ (2,192,999)

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

LEBANON FIRE DISTRICT
Lebanon, Oregon

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

PROPRIETARY FUND

For the Year Ended June 30, 2022

	Business-Type Activities
	Enterprise Fund
	Ambulance
Operating revenues	
Charges for services	$ 3,700,464
Miscellaneous	3,923
Total operating revenues	3,704,387
Operating expenses	
Personnel services	2,967,442
Materials and services	593,489
Repairs and maintenance	21,800
Depreciation	84,538
Total operating expenses	3,667,269
Change in net position	37,118
Net position - beginning	(2,230,117)
Net position - ending	$ (2,192,999)

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

LEBANON FIRE DISTRICT
Lebanon, Oregon

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

For the Year Ended June 30, 2022

	Business-Type Activities Enterprise Fund Ambulance
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 3,805,057
Payments to employees	(3,080,548)
Payments to suppliers	(603,346)
Other receipts	3,923
Net cash provided (used) by operating activities	125,086
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Purchases of capital assets	(43,816)
Net cash provided (used) by noncapital financing activities	(43,816)
Net increase (decrease) in cash and cash equivalents	81,270
Cash and cash equivalents - beginning	898,051
Cash and cash equivalents - ending	$ 979,321
Reconciliation of operating income to net cash provided (used) by operating activities:	
Operating income (loss)	$ 37,118
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	84,538
Changes in assets and liabilities	
(Increase) decrease in:	
Receivables	295,593
Bad debt provision	(191,000)
Prepaid assets	11,370
OPEB RHIA asset	(38,619)
Deferred outflows	289,349
Increase (decrease) in:	
Accounts payable	573
Payroll liabilities	3,960
Compensated absences	3,368
Deferred inflows	1,825,570
Net pension liability/OPEB liability	(2,196,734)
Net cash provided (used) by operating activities	$ 125,086

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

NOTES TO BASIC FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statements of activities) report information on all of the activities of the District. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support.

B. Reporting Entity

Lebanon Fire District was formed in 1884 and covers 134 square miles, serving the communities of Lebanon, Waterloo, Sodaville, and Lacomb. Services provided include fire suppression, emergency medical services, and fire prevention education. The District's emergency medical services are provided to an area of 416 square miles that includes, in addition to the fire district, the cities of Brownsville, Crabtree, and Scio. The District is governed by a five-member board of directors, elected from the District at large. Each member is elected to a four-year term.

C. Basis of Presentation - Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities incorporate data from governmental funds, while the business-type activities incorporate data from enterprise funds. Separate financial statements are provided for all governmental and proprietary 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. Separate financial statements for each fund category - governmental and proprietary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

General Fund – The General Fund is the District's primary operating fund. It accounts for all financial resources of the District except for those required to be accounted for in another fund. The primary source of revenue is property taxes. Primary expenditures are for public safety.

Capital Projects Fund

Reserve Fund – The Reserve Fund is used to account for the revenues and expenditures associated with the purchase, construction, and major repair of governmental capital assets. The primary sources of revenue are donations and grants.

Debt Service Fund – The Debt Service Fund accounts for the servicing of general long-term debt. The primary sources of revenue are property taxes and investment earnings.

The District reports the following major proprietary fund:

Enterprise Fund

Ambulance Fund – The Ambulance Fund is used to account for the operations of the District's ambulance service, which is provided to the general public. The primary source of revenue is user charges.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in the fund financial statements, certain eliminations are made in preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activity column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

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 and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measureable and available.

Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 30 days of year end). All other revenue items are considered to be measureable and available only when cash is received by the government.

F. Budgetary Information

The District budgets all funds in accordance with the requirements of state law. Annual appropriated budgets are adopted for the general, special revenue, debt service, and capital projects funds. All funds are budgeted on the cash basis of accounting.

The District 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 board of directors legally adopts the budget by resolution prior to the beginning of the District's fiscal year. The board resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total personnel services, materials and services, debt service, and capital outlay 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. The board of directors may adopt supplemental budgets less than 10% of a fund's original budget 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 was one supplemental budget. The District does not use encumbrances and appropriations lapse at year-end. Budget amounts shown in the financial statements reflect the original budget amounts, one supplemental budget, and one approved appropriation change.

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

1. Cash and Cash Equivalents

The District'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 District 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.

3. Accounts Receivable

Receivables of the enterprise fund are recorded as revenue when earned. Receivables are shown net of an allowance for uncollectible accounts. The allowance for uncollectible accounts is calculated by management based on prior collection experience.

4. Capital assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District 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 District are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Equipment	3-20
Licensed vehicles	5-20
Buildings	10-50

5. Deferred Outflows/Inflows of Resources – (Non-Pension Related)

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement elements, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. 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 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.

7. 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 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.

8. 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 specific purposes but do not meet the criteria to be classified as committed. The governing board has by resolution authorized the Fire Chief to assign fund balance. The board may also 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.

The District 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 District 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 District takes the same highest level action to remove or change the constraint.
- Assigned fund balance – amounts that the District 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 District 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 intentionally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

Property taxes attach as an enforceable lien on real property and are levied as of July 1st. The tax levy is divided into two billings: the first billing (mailed on July 1) is an estimate of the current year's levy based on prior year's taxes; the second billing (mailed on January 1) reflects adjustments to the current year's actual levy. The billings are considered past due 15 days after the respective billing date, at which time the applicable property is subject to lien, and penalties and interest are assessed. 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. Uncollected property taxes are shown as assets in the governmental funds. Property taxes collected within approximately 30 days of fiscal year-end are recognized as revenue, while the remaining are recorded as deferred inflows of resources because they are not deemed available to finance operations of the current period.

3. Compensated Absences

Vacation

The District's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Sick leave

Accumulated sick leave lapses when employees leave the employ of the District and, upon separation from service, no monetary obligation exists.

4. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt is reported as a liability in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds-outstanding method, which does not differ significantly from the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

5. Other Post-Employment Benefits

The District provides post-employment healthcare benefits. Employees with 10 years of service at December 31, 1998 were eligible for the program. This was a one-time only offer for eligible employees as of December 31, 1998. The District also offered the benefit to union employees hired prior to July 1, 2002. The District provides healthcare insurance to these qualified retirees until the age of 65, or until eligible for Medicare, equal to the current program in effect for its current employees. Benefits terminate upon death. Post-employment benefits are reported as long-term liabilities on the statement of net position.

6. Proprietary Fund Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operation. The principal operating revenues of the District's proprietary fund is ambulance charges for services provided. Operating expenses for the District's proprietary fund are the cost of services and administrative expenses. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

I. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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. Cash Deposits with Financial Institutions

The District 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 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. 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 District 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, 2022.

Fair values of assets measured on a recurring basis at June 30, 2022 are as follows:

	Level 2
Investments:	
Oregon Local Government Investment Pool	$ 18,356,787

Credit Risk

Oregon statutes authorize the District 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 District has not adopted a formal policy regarding credit risk; however, investments comply with state statutes.

Investments

As of June 30, 2022, the District had the following investments:

	Credit Quality Rating	Maturities	Fair Value
Oregon Local Government Investment Pool	Unrated	-	$ 18,356,787

Interest Rate Risk

The District 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 District 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 District'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 District will not be able to recover the value of its investments that are in the possession of an outside party. The District 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 District's deposits may not be returned. All District 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. 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 District holds an interest-bearing account at KeyBank, for which deposits are insured by the FDIC up to $250,000. At June 30, 2022, the District had deposits of $250,000 insured by the FDIC and $41,259 collateralized under the PFCP.

Deposits

The District's deposits and investments at June 30, 2022 were as follows:

Petty cash	$ 250
Checking account	269,453
Total investments	18,356,787
Total deposits and investments	$ 18,626,490

Cash and investments by fund:

Governmental activities - unrestricted	
General Fund	$ 153,665
Reserve Fund	2,884,712
Total governmental activities - unrestricted	3,038,377
Business-type activities - unrestricted	
Ambulance Fund	979,321
Subtotal unrestricted cash and investments	4,017,698
Governmental activities - restricted	
Debt Service Fund	14,608,792
Total cash and investments	$ 18,626,490

Restricted cash is for future bond projects and debt service payments.

B. Capital Assets

Capital asset activity for the year ended June 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	$ 273,212	$ -	$ -	$ 273,212
Construction in progress	-	521,084	-	521,084
Total capital assets not being depreciated	273,212	521,084	-	794,296
Capital assets being depreciated				
Buildings	4,482,256	-	-	4,482,256
Equipment	876,126	-	-	876,126
Vehicles	4,794,626	31,707	-	4,826,333
Total capital assets being depreciated	10,153,008	31,707	-	10,184,715
Less accumulated depreciation for				
Buildings	(1,979,736)	(95,158)	-	(2,074,894)
Equipment	(354,513)	(78,522)	-	(433,035)
Vehicles	(2,589,143)	(241,461)	-	(2,830,604)
Total accumulated depreciation	(4,923,392)	(415,141)	-	(5,338,533)
Total capital assets being depreciated, net	5,229,616	(383,434)	-	4,846,182
Governmental activities capital assets, net	$ 5,502,828	$ 137,650	$ -	$ 5,640,478
Business-type activities				
Capital assets not being depreciated				
Land	$ 9,538	$ -	$ -	$ 9,538
Capital assets being depreciated				
Buildings	112,011	-	-	112,011
Equipment	176,571	43,816	-	220,387
Vehicles	1,090,480	-	-	1,090,480
Total capital assets being depreciated	1,379,062	43,816	-	1,422,878
Less accumulated depreciation for				
Buildings	(109,146)	(1,846)	-	(110,992)
Equipment	(71,534)	(20,976)	-	(92,510)
Vehicles	(694,817)	(61,716)	-	(756,533)
Total accumulated depreciation	(875,497)	(84,538)	-	(960,035)
Total capital assets being depreciated, net	503,565	(40,722)	-	462,843
Business-type activities capital assets, net	$ 513,103	$ (40,722)	$ -	$ 472,381

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

	Capital Assets	Accumulated Depreciation	Net Capital Assets
Governmental activities			
Land	$ 273,212	$ -	$ 273,212
Construction in progress	521,084	-	521,084
Buildings	4,482,256	(2,074,894)	2,407,362
Equipment	876,126	(433,035)	443,091
Vehicles	4,826,333	(2,830,604)	1,995,729
Total governmental capital assets	$ 10,979,011	$ (5,338,533)	$ 5,640,478
Business-type activities			
Land	$ 9,538	$ -	$ 9,538
Buildings	112,011	(110,992)	1,019
Equipment	220,387	(92,510)	127,877
Vehicles	1,090,480	(756,533)	333,947
Total business-type capital assets	$ 1,432,416	$ (960,035)	$ 472,381

Depreciation expense was charged to the functions/programs of the District as follows:

Governmental activities	
Fire suppression	$ 338,423
Fire prevention	55,414
Administrative	21,304
Total governmental activities	$ 415,141
Business-type activities	
Ambulance	$ 84,538

C. Interfund Transfers

Interfund transfers during the year consisted of:

	Transfer in: General Fund
Transfer out:	
Reserve Fund	$ 31,707
Debt Service Fund	500,000
Total	$ 531,707

The principal purposes of the transfers were to pay for equipment purchases.

D. Deferred Inflows/Outflows of Resources

Deferred inflows and outflows or resources summarized on the statement of net position are comprised of the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net OPEB RHIA asset	$ 15,194	$ (52,162)
Net pension liability - PERS	3,633,634	(4,193,155)
Net OPEB medical benefit liability	1,974,536	(826,181)
Total	$ 5,623,364	$ (5,071,498)

E. Compensated Absences

The following is a summary of compensated absences transactions for the year:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities				
Compensated absences	$ 379,563	$ -	$ (18,680)	$ 360,883
Business-type activities				
Compensated absences	$ 8,947	$ 3,368	$ -	$ 12,315

F. Long-Term Liabilities

1. Changes in Long-Term Liabilities

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

	Interest Rate	Original Amount	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities							
GO bonds, series 2020	4-5%	$ 14,415,000	$ 14,355,000	$ -	$ 105,000	$ 14,250,000	$ 130,000
Full faith & credit, 2019	2.50%	1,100,000	903,000	-	103,000	800,000	106,000
Bond premiums, 2020	-	1,713,089	1,705,959	-	12,478	1,693,481	-
Total governmental activities		$ 17,228,089	$ 16,963,959	$ -	$ 220,478	$ 16,743,481	$ 236,000

2. General Obligation Bonds, Series 2020

General obligation bonds are direct obligations that pledge the full faith and credit of the District and are payable from ad valorem debt service levy proceeds. The Debt Service Fund has generally been used to liquidate the related debt. On June 4, 2020, the District issued general obligation bonds in the amount of $14,415,000 to finance capital costs, including construction and improvements of the main fire station and acquisition of District assets. The bonds are payable on June 1 and December 1 of each year. Interest is due semiannually ranging from 4-5% based on the original debt agreement.

3. Full Faith and Credit Bonds

On May 15, 2019, the District issued full faith and credit bonds, which are direct obligations that pledge the full faith and credit of the District and are payable from ad valorem debt service levy proceeds. The proceeds were used for capital acquisitions. Interest is fixed at 2.50% and is due semiannually on December 15 and June 15. Principal is due annually on June 15. The Debt Service Fund has been used to liquidate the debt. If the District is unable to make payment, the bonds contain an event of default; upon default, the lender may exercise any remedy available at law or in equity except acceleration.

4. Future Maturities of Long-term Obligations

Year Ending	FF&C Bonds, Series 2019			GO Bonds, Series 2020		
June 30	Principal	Interest	Total	Principal	Interest	Total
2023	$ 106,000	$ 20,080	$ 126,080	$ 130,000	$ 589,500	$ 719,500
2024	109,000	17,419	126,419	160,000	583,000	743,000
2025	111,000	14,684	125,684	190,000	575,000	765,000
2026	114,000	11,897	125,897	220,000	565,500	785,500
2027	117,000	6,099	123,099	255,000	554,500	809,500
2028-2032	243,000	3,087	246,087	1,880,000	2,546,950	4,426,950
2033-2037	-	-	-	3,075,000	2,058,600	5,133,600
2038-2042	-	-	-	4,630,000	1,325,600	5,955,600
2042-2045	-	-	-	3,710,000	303,800	4,013,800
Total	$ 800,000	$ 73,266	$ 873,266	$ 14,250,000	$ 9,102,450	$ 23,352,450

5. Legal Debt Limit

The District's legal annual debt service limit (as defined by Oregon Revised Statute 478.410) as of June 30, 2022 was approximately $56,525,847. The District's legal debt service limit is 1.25% of the real market value of property within the District.

G. Ambulance Receivables

Ambulance receivables at June 30, 2022, including the applicable allowances for uncollectible accounts, were as follows:

	Ambulance Fund
Ambulance billings	$ 706,609
Less allowance for uncollectibles	(380,000)
Net total receivables	$ 326,609

Collections on accounts previously written off amounted to $42,635.

H. Charges for Services - Ambulance

The District's ambulance billings in the Ambulance Fund are net of discounts for capitation and insurance adjustments. Charges for services at June 30, 2022 consisted of the following:

Ambulance fees	$ 7,711,715
Ambulance discounts	(4,011,251)
Charges for services	$ 3,700,464

I. Constraints on Fund Balances

Constraints on fund balances reported on the balance sheet are as follows:

	General Fund	Reserve Fund	Debt Service Fund	Total Governmental Funds
Fund balances				
Nonspendable	$ 100,733	$ -	$ -	$ 100,733
Restricted for:				
Bond projects	-	-	14,620,863	14,620,863
Committed to:				
Equipment purchases	-	2,884,712	-	2,884,712
Unassigned	184,485	-	-	184,485
Total fund balances	$ 285,218	$ 2,884,712	$ 14,620,863	$ 17,790,793

III. OTHER INFORMATION

A. Risk Management

The District 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 District 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.

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, 2021, there were 941 participating employers.

Plan Membership

As of June 30, 2021, there were 13,991 active plan members, 129,357 retired plan members or their beneficiaries currently receiving benefits, 9,103 inactive plan members entitled to but not yet receiving benefits, for a total of 152,451 Tier One members.

For Tier Two members, as of June 30, 2021, there were 29,322 active plan members, 18,832 retired plan members or their beneficiaries currently receiving benefits, 13,498 inactive plan members entitled to but not yet receiving benefits, for a total of 61,652.

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. 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 a 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. 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.

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, 2019 actuarial valuation, which became effective July 1, 2020. 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 District has opted to pick-up the contributions on behalf of its employees.

Employer contributions for the year ended June 30, 2022 were $1,153,822.

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 July 1, 2019, through June 30, 2021, 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, 2019
Measurement Date	June 30, 2021
Experience Study	2018, published July 24, 2019
Actuarial Assumptions:	
Actuarial Cost Method	Entry age normal
Inflation Rate	2.40 percent
Long-term Expected Rate of Return	6.90 percent

Discount Rate	6.90 percent
Projected Salary Increases	3.40 percent
Cost of living adjustment (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/.15%) in accordance with *Moro* decision; blend based on service.
Mortality	**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. **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 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 2018 Experience Study, which reviewed experience for the four-year period ended December 31, 2018. There were no differences between the assumptions and plan provisions used for June 30, 2021 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. 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.

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. 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/CAFR/2021-ACFR.pdf

OIC Target and Actual Investment Allocation as of June 30, 2021

Asset Class/Strategy	OIC Policy Low Range	OIC Policy High Range	OIC Target Allocation	Actual Allocation[2]
Debt Securities	15.0%	25.0%	20.0%	20.8%
Public Equity	27.5%	37.5%	32.5%	29.4%
Real Estate	9.5%	15.5%	12.5%	10.5%
Private Equity	14.0%	21.0%	17.5%	25.1%
Alternatives Portfolio	7.5%	17.5%	15.0%	9.5%
Opportunity Portfolio[1]	0.0%	5.0%	0.0%	2.3%
Risk Parity	0.0%	2.5%	2.5%	2.4%
Total			100.0%	100.0%

[1]Opportunity 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 6/30/2021.

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

At June 30, 2022, the District reported a liability of $5,279,230 for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The District's proportion of the net pension liability 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 employers, actuarially determined. At June 30, 2022, the District's proportion was 0.04411682%. For the year ended June 30, 2021, the District recognized pension expense of $897,150. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources
Differences between expected and actual experience	$ 494,170		$ -
Changes of assumptions	1,321,550		(13,894)
Net difference between projected and actual earnings on investments	-		(3,908,173)
Changes in proportionate share	513,034		(184,297)
Differences between employer contributions and employer's proportionate share of system contributions	149,451		(86,791)
Total (prior to post-MD contributions)	2,478,205		(4,193,155)
Contributions subsequent to the MD	1,155,429		-
Totals	$ 3,633,634	#	$ (4,193,155)

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 life determined as of the beginning of the June 30, 2021 measurement period is 5.4 years.

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in subsequent years as follows:

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
1st Fiscal Year	$ (200,513)
2nd Fiscal Year	(228,047)
3rd Fiscal Year	(470,609)
4th Fiscal Year	(931,436)
5th Fiscal Year	115,656

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a higher discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

District's proportionate share of the net pension liability (asset):

1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
$ 10,367,146	$ 5,279,230	$ 1,022,492

Changes Subsequent to the Measurement Date

On July 15, 2021, Portland Public Schools issued pension obligation bonds resulting in a lump-sum deposit to a new side account with PERS totaling $398,665,572. On August 13, 2021, 22 school district employers issued pension obligation bonds resulting in lump-sum deposits to new side accounts with PERS totaling $654,583,738. On August 31, 2021, five community college employers issued pension obligation bonds resulting in lump-sum deposits to new side accounts totaling $212,080,721. On September 28, 2021, one school district employer issued pension obligation bonds resulting in a lumpsum deposit to a new side account totaling $73,908,669. On July 23, 2021, the PERS Board voted to set the assumed rate of return to 6.9 percent, down from 7.2 percent. The PERS Board reviews the assumed rate in odd-numbered years as part of the board's adoption of actuarial methods and assumptions. The rate was then adopted in an administrative rule at the PERS Board's October 1, 2021, meeting.

The new assumed rate will be reflected in the December 31, 2021 actuarial valuation for funding, and decreases in the assumed rate typically increase the system's unfunded actuarial liability as well as employer contribution rates. The new assumed rate was applied by the actuaries to the Net Pension Liability and Net OPEB Liability as of June 30, 2021.

C. Other Post-Employment Benefits (GASB 75) RHIA – Oregon PERS Plan

1. Oregon Public Employees Retirement System (PERS) Retirement Health Insurance Account (RHIA) Other Post-Employment Benefit (OPEB) Plan (the Plan)

General Information about the OPEB Plan

The Oregon PERS RHIA consists of a single cost-sharing multiple-employer defined benefit OPEB 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, 2021, there were 811 participating employers.

Plan Benefits – PERS RHIA (Chapter 238)

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

OPEB Membership

RHIA was established by ORS 238.420 and authorizes a payment of up to $60 from RHIA toward the monthly costs of health insurance. The Plan is closed to new members hired on or after August 29, 2003. To be eligible to receive this monthly payment toward the 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 (C) enroll in a PERS-sponsored health plan. As of June 30, 2021, the inactive RHIA plan participants currently receiving benefits totaled 42,857, and there were 43,108 active and 12,734 inactive members who meet the requirements to receive RHIA benefits when they retire.

<u>Basis of Accounting</u>

Contributions for employers are recognized on the accrual basis of accounting. Employer contributions to PERS are calculated based on creditable compensation for active members reported by employers. Employer contributions are accrued when due pursuant to legal requirements. These are amounts normally included in the employer statements cut off as of the fifth of the following month. The schedules of OPEB amounts by Employer does not reflect deferred outflows of resources related to contributions made by employers after the measurement date.

Consistent with GASB Statement No. 75, paragraph 59(a), employer proportions are determined as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined.

Contributions

Employer contributions for the year ended June 30, 2022 were $696.

OPEB RHIA Plan Annual Comprehensive Financial Report (ACFR)

All assumptions, methods, and plan provisions used in these calculations are described in the Oregon PERS RHIA Cost-Sharing Multiple-Employer OPEB Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the year ended June 30, 2021. That independently audited report was dated February 25, 2022 and can be found at:

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

Proportionate Share Allocation Methodology

The basis for the employer's proportion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. If the employer did not make contributions during the fiscal year, their proportionate share will be set to zero and the employer will be allocated no proportionate share of the OPEB amounts.

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2019
Measurement Date	June 30, 2021
Experience Study	2018, published July 24, 2019
Actuarial Assumptions:	
Actuarial Cost Method	Entry age normal
Inflation Rate	2.40 percent
Long-term Expected Rate of Return	6.90 percent
Discount Rate	6.90 percent
Projected Salary Increases	3.40 percent
Retiree healthcare participation	Healthy retirees: 32%; disabled retirees: 20%

Mortality	**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. **Active members:** Pub-2010 Employees, 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 Retirees, 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 on the 2018 Experience Study, which reviewed experience for the four-year period ended December 31, 2018.

There were no differences between the assumptions and plan provisions used for June 30, 2021 measurement date calculations compared to those shown above, except as follows:

- The H.R. 1865 Further Consolidated Appropriations Act, which was signed into law on December 20, 2019, repealed the Cadillac tax on high-cost health plans. The RHIPA Total OPEB asset as of the June 30, 2020 measurement date shown reflects the repeal of the Cadillac tax.

<u>Discount Rate</u>

The discount rate used to measure the total OPEB liability at June 30, 2021 was 6.90. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the 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 for the RHIA was applied to all periods of projected benefit payments to determine the total OPEB liability.

Long-Term Expected Rate of Return

For GASB 74 and GASB 75, the long-term expected rate of return assumption is generally not required to be updated between a) the assumption used to develop liabilities at the actuarial valuation date and b) the roll-forward measurement date at which GASB liability are reported unless there is an indication that the assumption used on the actuarial valuation date is no longer supportable as of the GASB measurement date. The long-term expected rate of return used in the December 31, 2019 actuarial valuation for funding purposes was 7.20%.

After a public review process that commenced prior to June 30, 2021 and was based on capital market outlook models developed prior to that date, the PERS Board selected a lower long-term expected rate of investment return assumption of 6.90% on July 23, 2021 to be used in the December 31, 2020 and December 31, 2021 actuarial valuations for funding purposes. At the same time, the PERS Board reduced the inflation and payroll growth assumptions to 2.40% and 3.40%, respectively.

We understand PERS has chosen to reflect these updated economic assumptions for the calculation of June 30, 2021 measurement date GASB liabilities. As such, the June 30, 2021 Total OPEB Liability reflects a long-term expected rate of return of 6.90%, an inflation assumption of 2.40%, and a payroll growth assumption of 3.40%.

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/CAFR/2021-ACFR.pdf

Depletion Date Projection

GASB 75 generally requires that a blended discount rate be used to measure the Total OPEB 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 (fair market value of assets) 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 75 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 75 (paragraph 82) 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 OPEB Plan:

- 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 75 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 75 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

There remains substantial uncertainty regarding the impact of COVID-19 on plan costs, including whether the pandemic will increase or decrease costs in the near and longer term. For example, health care expenditures unrelated to COVID-19 have decreased substantially since stay-at-home orders have been in place on account of physician practices closing for most visits and nonemergency surgeries being postponed. Some services will be postponed until a later date while others may never occur, and the drop in utilization for services unrelated to COVID-19 may offset potential increases in health costs related to COVID-19. Therefore, we have deferred making an adjustment to expected plan costs until more information is known. It is possible that the COVID-19 pandemic could have a material impact on the projected costs.

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

At June 30, 2022, the District reported an asset of $102,423 for its proportionate share of the OPEB asset. The OPEB asset was measured at June 30, 2021, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of that date.

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. At December 31, 2019 the District's proportion was 0.02982598%. For the year ended June 30, 2022, the District recognized OPEB credit of $17,614.

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (2,850)
Changes of assumptions	2,015	(1,524)
Net differences between projected and actual earnings on investments	-	(24,341)
Changes in proportionate share	12,483	(23,447)
Total (prior to post-MD contributions)	14,498	(52,162)
Contributions subsequent to the MD	696	-
Total	$ 15,194	$ (52,162)

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 OPEB expense based on the balance of the closed period "layers" attributable to each measurement period. The average remaining service life determined as of the beginning of the June 30, 2021 measurement period is 2.7 years.

Amounts reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB asset in the year ended June 30, 2022. Other amounts reported by the District as deferred outflows or inflows of resources related to OPEB will be recognized in OPEB expense in subsequent years as follows:

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
1st Fiscal Year	$ (9,891)
2nd Fiscal Year	(14,526)
3rd Fiscal Year	(5,557)
4th Fiscal Year	(7,689)
5th Fiscal Year	-

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

The following presents the District's proportionate share of the net OPEB asset calculated using the discount rate of 6.90 percent, as well as what the District's proportionate share of the net OPEB asset would be if it were calculated using a higher discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate. District's proportionate share of the net OPEB (asset) liability:

1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
$ (90,578)	$ (102,423)	$ (112,541)

Changes Subsequent to the Measurement Date

We are not aware of any changes subsequent to the June 30, 2021 measurement date that meet the requirement requiring a brief description under the GASB standard.

D. Other Post-Employment Benefits (GASB 75) – District Medical Benefit Plan

1. Other Post-Employment Benefit (OPEB) District Medical Benefit Plan (the Plan)

General Information about the OPEB Plan

Name of OPEB Plan

The District provides a post-employment health benefits program for employees who have retired early from the District. Covered employees under the plan are eligible to receive District-paid benefits until reaching the age of eligibility for Medicare benefits. Benefits accrue at 4% per year of service and terminate at death. The program was established by Resolution 10-98. Eligible employees had completed ten years of service to the District upon adoption of the resolution.

Description of Benefit Terms

Plan Benefits – Implicit Medical Benefit

Plan benefits are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapter 243.

ORS stipulated that for the purpose of establishing health care premiums, the rate must be based on all plan members, including both active employees and retirees. 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 contributions.

The calculated OPEB liability is derived using the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members at that point. Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations of the OPEB plan reflect a long-term perspective.

Medical Benefit Membership and Eligibility

All employee of the District retiring from active service with a pension benefit are eligible to continue coverage upon retirement. Qualified spouses, domestic partners, and children may qualify for coverage.

Medical Benefit Duration and Amount

Coverage for retirees and eligible dependents continues until Medicare eligibility for each individual (or until dependent children become ineligible).

Participant Statistics

As of July 1, 2020, there were 40 active participants and 16 inactive participants in the Medical Benefit plan. The average age of active and retired participants is 38.7 and 59.5, respectively. The District did not establish an irrevocable trust (or equivalent arrangement) to account for this plan.

Funding Policy

The benefits from this program are paid by the District on a self-pay basis and the required contribution is based on projected pay-as-you-go financing requirements. There is no obligation on the part of the District to fund these benefits in advance.

Actuarial Methods and Assumptions:

The District engaged an actuary to perform an evaluation as of July 1, 2020 using age entry normal, level percent of salary Actuarial Cost Method. The Single Employer Pension Plan liability was determined using the following actuarial assumptions, applied to all periods including the measurement:

Valuation Date	July 1, 2020
Measurement Dates/Fiscal Year Ends	June 30, 2020 – June 30, 2022
Actuarial Assumptions:	
Actuarial Cost Method	Entry age normal

Salary Increases	3.50 percent per year
General Inflation Rate	2.50 percent per year
Discount Rate	2.21 percent for June 30, 2022 year end

Mortality rates were based on the RP=2000 Active/Healthy white collar male and female tables, as appropriate and were projected on a generational basis using Scale BB for males and females. Turnover rates were based on percentages developed for the valuation of benefits under Oregon PERS and vary by years of service. Disability rates were based on percentages developed for the valuation of benefits under Oregon PERS and vary by employee age. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Current medical and vision premiums were modeled using an average monthly premium of $624 for retirees and $703 for spouses. Dental premiums were modeled using average monthly premiums of $52 for retirees and $39 for spouses.

Changes in Medical Benefit OPEB Liability

Total OPEB Liability at June 30, 2021	$	3,660,678
Changes for the year:		
Service cost		105,746
Interest		80,216
Economic/demographic (gains) or losses		-
Change in assumptions		10,142
Benefit payments		(274,998)
Net changes		(78,894)
Total OPEB Liability at June 30, 2022	$	3,581,784

Sensitivity of the Net OPEB Liability to Changes in Discount and Trend Rates

The following presents the net OPEB liability, calculated using the discount rate of 2.21%, as well as what the liability would be if it was calculated using a discount rate 1-percentage-point lower or 1-percentage-point higher than the current rate:

June 30 Disclosure	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB Liability	$ 3,798,125	$ 3,581,784	$ 3,378,906

The following presents the net OPEB liability, calculated using the trend rate, as well as what the liability would be if it was calculated using a discount rate 1-percentage-point lower or 1-percentage-point higher than the current rate:

June 30 Disclosure	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	$ 3,333,330	$ 3,581,784	$ 3,859,850

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Expected and actual experience difference	$ 12,322	$ (787,678)
Changes in assumptions	1,693,497	(38,503)
Benefit payments	268,717	-
Total	$ 1,974,536	$ (826,181)

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in subsequent years as follows:

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
1st Fiscal Year	$ 129,557
2nd Fiscal Year	$ 129,557
3rd Fiscal Year	$ 132,310
4th Fiscal Year	$ 143,309
5th Fiscal Year	$ 143,309
Thereafter	$ 201,596

E. Bargaining Unit

At June 30, 2022, the District had a total of 42 employees. Of this total, approximately 79% are represented by a union. The union agreement is active through June 30, 2023.

F. Commitments

At June 30, 2022, the District had an outstanding bond consulting contract. The total contract price was $1,500,000, and the remaining balance at year end was $630,449.

At June 30, 2022, the District had an outstanding construction contract for Phase 1 of the new main station project. The total contract price was $1,048,966, and the total balance was outstanding at year end.

G. New Pronouncements

For the fiscal year ended June 30, 2022, the District implemented the following new accounting standards:

GASB Statement No. 83, *Certain Asset Retirement Obligations* – This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset.

GASB Statement No. 87, *Leases* – This statement addresses the accounting and financial reporting for leases by governments, requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases.

GASB Statement No. 92, *Omnibus 2020*. This statement was issued January 2020 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 leases implementation, derivative instruments, postemployment benefits (pensions and other postemployment benefits), asset retirement obligations, risk pool and fair value measurements.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statement No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension/OPEB plans and employee benefit plans other than pension/OPEB plans, as fiduciary component units in fiduciary fund financial statement; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meets the definition of a pension plan and for benefits provided through those plans.

The District 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. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* – The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The statement is effective for fiscal years beginning after December 15, 2021 (as amended by GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*).

H. Deferred Tax Annuity

The District provides tax-deferred annuity contracts established under Section 457 of the Internal Revenue Code. Participation in the programs is voluntary. There is no vesting. Contributions are made from salary deductions from the participating employee within the limits specified in the code. The City did not make any contributions to these plans and there were no forfeitures noted.

I. Subsequent Events

Management has evaluated subsequent events through October 24, 2022, which was the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

LEBANON FIRE DISTRICT
Lebanon, Oregon

SCHEDULES OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND DISTRICT CONTRIBUTIONS

OREGON PERS SYSTEM

Schedule of the District's Proportionate Share of the Net Pension Liability

	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.04411682%	0.04496798%	0.04130791%	0.03763975%	0.04023488%	0.04107343%	0.04615875%	0.04357164%
District's proportionate share of the net pension liability (asset)	$ 5,279,230	$ 9,813,560	$ 7,145,279	$ 5,701,926	$ 5,423,677	$ 8,758,591	$ 13,452,271	$ (987,645)
District's covered-employee payroll	$ 3,911,765	$ 3,885,479	$ 3,208,009	$ 3,061,357	$ 3,053,215	$ 2,841,686	$ 2,841,686	$ 2,694,019
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	135%	253%	223%	186%	178%	308%	473%	-37%
Plan fiduciary net position as a percentage of the total pension liability	88%	76%	80%	82%	83%	81%	92%	104%

Schedule of District Contributions

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 1,153,822	$ 1,032,332	$ 707,724	$ 764,938	$ 699,139	$ 501,205	$ 501,720	$ 453,835
Contributions in relation to the contractually required contribution	(1,153,822)	(1,032,332)	(707,724)	(764,938)	(699,139)	(501,205)	(501,720)	(453,835)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 4,535,179	$ 4,410,518	$ 3,399,251	$ 4,005,116	$ 3,477,184	$ 3,144,157	$ 3,074,396	$ 2,782,121
Contributions as a percentage of covered-employee payroll	25%	23%	21%	19%	20%	16%	16%	16%

LEBANON FIRE DISTRICT
Lebanon, Oregon

SCHEDULES OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
OPEB LIABILITY (ASSET) AND DISTRICT CONTRIBUTIONS

OREGON PERS SYSTEM

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

	2022	2021	2020	2019	2018	2017
District's proportion of the OPEB liability (asset)	0.02982598%	0.01078101%	0.03662577%	0.03304562%	0.03016854%	0.03281352%
District's proportionate share of the OPEB liability (asset)	$ (102,423)	$ (21,967)	$ (70,774)	$ (36,888)	$ (12,591)	$ 8,911
District's covered-employee payroll (from actuarial exhibits)	$ 3,911,765	$ 3,855,479	$ 3,208,009	$ 3,061,357	$ 3,053,215	$ 2,853,381
District's proportionate share of the OPEB liability (asset) as a percentage of its covered-employee payroll	-3%	-1%	-2%	-1%	0%	0%
Plan fiduciary net position as a percentage of the total OPEB liability	184%	150%	144%	124%	109%	94%

Schedule of District Contributions

	2022	2021	2020	2019	2018	2017
Contractually required contribution	$ 696	$ 798	$ 770	$ 20,056	$ 16,001	$ 15,325
Contributions in relation to the contractually required contribution	(696)	(798)	(770)	(20,056)	(16,001)	(15,325)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 4,535,179	$ 3,399,251	$ 3,399,251	$ 4,005,116	$ 3,477,184	$ 3,144,157
Contributions as a percentage of covered-employee payroll	0.02%	0.02%	0.02%	0.50%	0.46%	0.49%

LEBANON FIRE DISTRICT
Lebanon, Oregon

SCHEDULES OF CHANGES IN OTHER POST EMPLOYMENT BENEFITS (OPEB)
LIABILITY AND RELATED RATIOS - MEDICAL BENEFIT

DISTRICT MEDICAL BENEFIT PLAN

Schedule of Changes	2022	2021	2020	2019	2018
Total Medical Benefit Pension Liability - beginning	$ 3,660,678	$ 3,438,924	$ 3,400,672	$ 2,350,573	$ 2,456,540
Changes for the year:					
Service Cost	$ 105,746	$ 98,003	$ 86,725	$ 88,391	$ 95,362
Interest	80,216	118,865	130,123	84,293	70,402
Effect of economic/demographic gains/losses	-	(994,962)	-	20,534	-
Change in assumptions	10,142	1,283,855	73,876	1,027,190	(107,263)
Benefit Payments	(274,998)	(284,007)	(252,472)	(170,309)	(164,468)
Net changes for the year	(78,894)	221,754	38,252	1,050,099	(105,967)
Total Medical Benefit Pension Liability - ending	$ 3,581,784	$ 3,660,678	$ 3,438,924	$ 3,400,672	$ 2,350,573
District's covered-employee payroll	$ 4,535,179	$ 3,399,251	$ 3,399,251	$ 4,005,116	$ 3,477,184
Net Medical Benefit Pension Liability as a Percentage of Covered Payroll	78.98%	107.69%	101.17%	84.91%	67.60%

LEBANON FIRE DISTRICT
Lebanon, Oregon

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

GENERAL FUND

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Variance with Final Budget Over (Under)	Actual Budget Basis	Actual Adjustments	Actual GAAP Basis
REVENUES						
Property taxes	$ 4,954,681	$ 4,954,681	$ 44,790	$ 4,999,471	$ 66,932	$ 5,066,403
Grants and contributions	220,250	220,250	(40,926)	179,324	-	179,324
Charges for services	3,200	169,136	115,871	285,007	-	285,007
Investment earnings	25,000	25,000	(6,806)	18,194	-	18,194
Miscellaneous	12,000	12,000	78,156	90,156	-	90,156
Total revenues	5,215,131	5,381,067	191,085	5,572,152	66,932	5,639,084
EXPENDITURES						
Current						
Personnel services	4,335,369	4,305,431	(133,404)	4,172,027	-	4,172,027
Materials and services	1,474,150	1,561,172	(300,838)	1,260,334	(90,269)	1,170,065
Capital outlay	9,119,485	9,176,192	(8,614,238)	561,954	-	561,954
Contingency	255,921	255,921	(255,921)	-	-	-
Total expenditures	15,184,925	15,298,716	(9,304,401)	5,994,315	(90,269)	5,904,046
Excess (deficiency) of revenues over (under) expenditures	(9,969,794)	(9,917,649)	9,495,486	(422,163)	157,201	(264,962)
OTHER FINANCING SOURCES (USES)						
Transfers in	9,064,285	9,095,992	(8,564,285)	531,707	-	531,707
Special payments	(187,000)	(187,000)	(59,999)	(127,001)	-	(127,001)
Transfers out	(930,681)	(930,681)	(930,681)	-	-	-
Total other financing sources (uses)	7,946,604	7,978,311	(9,554,965)	404,706	-	404,706
Net change in fund balance	(2,023,190)	(1,939,338)	1,921,881	(17,457)	157,201	139,744
Fund balance - beginning	2,023,190	2,023,190	(1,899,301)	123,889	21,585	145,474
Fund balance - ending	$ -	$ 83,852	$ 22,580	$ 106,432	$ 178,786	$ 285,218

OTHER SUPPLEMENTARY INFORMATION

INDIVIDUAL FUND SCHEDULES

LEBANON FIRE DISTRICT
Lebanon, Oregon

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

DEBT SERVICE FUND

For the Year Ended June 30, 2022

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual Budget Basis	Actual Adjustments	Actual GAAP Basis
REVENUES					
Property taxes	$ 699,750	$ (18,004)	$ 681,746	$ 8,557	$ 690,303
Investment earnings	126,000	(38,518)	87,482	-	87,482
Total revenues	825,750	(56,522)	769,228	8,557	777,785
EXPENDITURES					
Current					
Materials and services	35	(35)	-	-	-
Debt service	825,416	(3)	825,413	-	825,413
Total revenues	825,451	(38)	825,413	-	825,413
Excess (deficiency) of revenues over (under) expenditures	299	(56,484)	(56,185)	8,557	(47,628)
OTHER FINANCING SOURCES (USES)					
Transfers out	(9,064,285)	(8,564,285)	(500,000)	-	(500,000)
Net change in fund balance	(9,063,986)	8,507,801	(556,185)	8,557	(547,628)
Fund balance - beginning	15,107,142	57,835	15,164,977	3,514	15,168,491
Fund balance - ending	$ 6,043,156	$ 8,565,636	$ 14,608,792	$ 12,071	$ 14,620,863

LEBANON FIRE DISTRICT
Lebanon, Oregon

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

RESERVE FUND

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Variance with Final Budget Over (Under)	Actual Budget Basis	Actual Adjustments	Actual GAAP Basis
REVENUES						
Charges for services	$ -	$ 31,707	$ (31,707)	$ -	$ -	$ -
EXPENDITURES						
Current						
Retiree expense	900,000	900,000	(900,000)	-	-	-
Capital outlay	918,250	918,250	(918,250)	-	-	-
Total expenditures	1,818,250	1,818,250	(1,818,250)	-	-	-
Excess (deficiency) of revenues over (under) expenditures	(1,818,250)	(1,786,543)	1,786,543	-	-	-
OTHER FINANCING SOURCES (USES)						
Transfers out	-	(31,707)	-	(31,707)	-	(31,707)
Net change in fund balance	(1,818,250)	(1,818,250)	1,786,543	(31,707)	-	(31,707)
Fund balance - beginning	1,818,250	1,818,250	1,098,169	2,916,419	-	2,916,419
Fund balance - ending	$ -	$ -	$ 2,884,712	$ 2,884,712	$ -	$ 2,884,712

LEBANON FIRE DISTRICT
Lebanon, Oregon

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -
BUDGET AND ACTUAL

AMBULANCE FUND

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Variance with Final Budget Over (Under)	Actual		
				Budget Basis	Adjustments	GAAP Basis
REVENUES						
Charges for services, net	$ 2,809,500	$ 3,521,500	$ 283,557	$ 3,805,057	$ (104,593)	$ 3,700,464
Miscellaneous	500	500	3,423	3,923	-	3,923
Total revenues	2,810,000	3,522,000	286,980	3,808,980	(104,593)	3,704,387
EXPENSES						
Current						
Personnel services	3,387,181	3,339,944	(255,436)	3,084,508	(117,066)	2,967,442
Materials and services	353,500	692,922	(99,433)	593,489	-	593,489
Capital outlay	-	72,792	(7,176)	65,616	(43,816)	21,800
Depreciation	-	-	-	-	84,538	84,538
Total expenses	3,740,681	4,105,658	(362,045)	3,743,613	(76,344)	3,667,269
Excess (deficiency) of revenues over (under) expenses	(930,681)	(583,658)	649,025	65,367	(28,249)	37,118
OTHER FINANCING SOURCES (USES)						
Transfers in	930,681	930,681	(930,681)	-	-	-
Change in net position	-	347,023	(281,656)	65,367	(28,249)	37,118
Net position - beginning	-	-	860,317	860,317	(3,090,434)	(2,230,117)
Net position - ending	$ -	$ 347,023	$ 578,661	$ 925,684	$ (3,118,683)	$ (2,192,999)

OTHER FINANCIAL SCHEDULES

CONTINUING DISCLOSURE REQUIREMENTS

LEBANON FIRE DISTRICT
TAX RATE HISTORY AND TAX COLLECTION RECORDS

For the Year Ended June 30, 2022

Fiscal Year	Real Market Value (1)	Taxable Assessed Value (2)	Net Tax Imposed	Billing Rate Per $1,000 of Taxable Assessed Value (3)	Local Option Levy Per $1,000 of Taxable Assessed Value (3)	Bond Rate Per $1,000 of Taxable Assessed Value	Percent Collected as of Year of Levy (4)	Percent Collected as of 6/30/2022 (4)
2021-22	$ 4,522,067,784	$ 2,280,740,068	$ 5,854,064	$ 2.2600	$ -	$ 0.2905	98.11%	
2020-21	4,004,035,756	2,205,681,148	5,660,882	2.2600	-	$ 0.2905	97.90%	99.07%
2019-20	3,744,651,997	2,237,326,905	5,057,514	2.2600	-	$ 0.1935	97.52%	99.42%
2018-19	3,451,845,767	2,156,995,844	4,876,739	2.2600	-	$ 0.1956	97.45%	99.75%
2017-18	3,015,091,619	2,049,596,495	4,626,755	2.2600	-	$ 0.2001	97.45%	99.92%
2016-17	2,744,697,298	1,975,004,992	4,311,922	2.2600	-	$ 0.2036	96.68%	99.95%
2015-16	2,499,115,526	1,893,397,011	4,147,632	2.2600	-	$ 0.2068	96.32%	99.98%
2014-15	2,327,977,097	1,813,070,143	3,976,548	2.2600	-	$ 0.2093	96.24%	99.89%
2013-14	2,190,921,237	1,739,004,900	3,824,166	2.2600	-	$ 0.2153	95.81%	99.89%
2012-13	2,134,211,336	1,680,897,673	3,850,212	2.2600	-	$ 0.2164	96.30%	99.89%
2011-12	2,200,455,253	1,648,045,455	3,477,490	2.2600	-	$ 0.6135	95.76%	99.89%

(1) Value represents the Real Market Value of taxable properties, including the reduction in Real Market Value of specifically assessed properties such as farm and forestland. This value is commonly referred to as the Measure 5 Real Market Value.
(2) Assessed Value of property in the District on which the permanent rate is applied to derive ad valorem property taxes, excluding urban renewal and any other offsets.
(3) District's permanent tax rate of $2.2600.
(4) In process of collection; shown as of June 30, 2022

Source: Linn County, Offices of Assessment and Taxation, November 2021.

LEBANON FIRE DISTRICT
FISCAL YEAR 2021 REPRESENTATIVE LEVY RATE

For the Year Ended June 30, 2022

(per $1,000 of Assessed Value)

General Government	Operating Tax Rate ($/1,000)(1)	Local Option Levy ($/1,000)(1)	Bonded Debt Tax Rate ($/1,000)(2)	Total Tax Rate ($/1,000)
Linn County	$ 1.2169	$ 2.9967	$ -	$ 4.2136
Linn County 4H Extension Service	0.0598	-	-	0.0598
Lebanon Aquatic Center	0.2048	-	-	0.2048
City of Lebanon	4.3901	-	2.1848	6.5749
Lebanon Urban Renewal	2.4395	-	-	2.4395
Lebanon Fire District	1.9236	-	0.2905	2.2141
Total General Government	$ 10.2347	$ 2.9967	$ 2.4753	$ 15.7067
Schools				
LBL ESD	0.2601	-	-	0.2601
Lebanon Community School District	3.9939	-	2.7210	6.7149
Linn-Benton Community College	0.4249	-	0.2461	0.6710
Total Schools	4.6789	-	2.9671	7.6460
Total Tax Rate	$ 14.9136	$ 2.9967	$ 5.4424	$ 23.3527

(1) County assessors report levy rates by tax code. Levy rates apply to taxable "assessed" property lavue. Tax rate limitations are based upon "real market" value and are reported in total dollar amount of compression, if any, for each taxing jurisdiction.

(2) Levies to pay local government general obligation bonds, such as the Bonds, may be imposed without limitation by Article XI, Section 11 or 11b.

Note: There are 43 tax code areas within the District.

Source: Linn County Department of Assessment and Taxation.

LEBANON FIRE DISTRICT
MAJOR DISTRICT TAXPAYERS

For the Year Ended June 30, 2022

(Owner of Record) Taxpayer	Total Assessed Value (1)	% of Total Assessed Value*	Taxes Imposed (2)
Lowes HIW Inc.	$ 78,281,810	0.77%	$ 1,426,082
ENTEK International	68,720,360	0.68%	1,246,791
Lumen Technologies Inc	47,849,000	0.47%	795,999
Weyerhaeuser Company	37,869,943	0.37%	524,176
Samaritan Health Services Inc.	21,335,070	0.21%	404,574
Cascade Ridge LLC	16,092,860	0.16%	336,708
WalMart Real Estate Business	15,870,820	0.16%	332,913
Northwest Natural Gas Company	18,318,600	0.18%	297,890
ENTEK Membranes LLC	12,662,320	0.12%	229,816
Lodges at Lebanon LLC	10,075,560	0.10%	214,345
Top Ten Taxpayers in the District	327,076,343	3.22%	
Remaining District Taxpayers	9,844,480,035	96.78%	
Total District Taxpayers	10,171,556,378	100.00%	

* Please note that totals may not equal due to rounding

(1) Assessed value does not exclude offsets such as urban renewal and farm tax credits.
(2) Tax amount is the total tax paid by the taxpayer within the boundaries of the District and County, respectively. This amount is distributed to individual local governments by the County. A breakdown of amounts paid to each individual local government is not available.

Source: Linn County Department of Assessment and Taxation

LEBANON FIRE DISTRICT
MAJOR TAXPAYERS IN LINN COUNTY

For the Year Ended June 30, 2022

(Owner of Record) Taxpayer	Total Assessed Value (1)	% of Total Assessed Value*	Taxes Imposed (2)
PacificCorp (PP&L)	$ 165,953,000	1.63%	$ 2,373,847
Lowes HIW Inc.	88,922,870	0.87%	1,621,096
Lumen Technologies Inc	100,159,000	0.98%	1,591,427
Teledyne Wah Chang Albany Corporation	106,658,340	1.05%	1,589,118
Fort James Operating Company	144,034,943	1.42%	1,487,745
Weyerhaeuser Company	108,374,150	1.07%	1,435,719
Target Corporation	77,694,640	0.76%	1,359,132
Northwest Natural Gas Company	83,023,580	0.82%	1,311,572
Entek International LLC	68,720,360	0.68%	1,246,791
Freres Lumber Co Inc	84,842,539	0.83%	1,131,447
Top Ten Taxpayers in the County	1,028,383,422	10.11%	
Remaining County Taxpayers	9,143,172,956	89.89%	
Total County Taxpayers	10,171,556,378	100.00%	

* Please note that totals may not equal due to rounding

(1) Assessed value does not exclude offsets such as urban renewal and farm tax credits.
(2) Tax amount is the total tax paid by the taxpayer within the boundaries of the District and County, respectively. This amount is distributed to individual local governments by the County. A breakdown of amounts paid to each individual local government is not available.

Source: Linn County Department of Assessment and Taxation

LEBANON FIRE DISTRICT
Lebanon, Oregon

SCHEDULE OF FUTURE REQUIREMENTS OF BONDED DEBT

For the Year Ended June 30, 2022

Fiscal Year	FULL FAITH AND CREDIT BONDS Series 2019			GENERAL OBLIGATION BONDS Series, 2020			TOTAL ALL REQUIREMENTS		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2023	$ 106,000	$ 20,080	$ 126,080	$ 130,000	$ 589,500	$ 719,500	$ 236,000	$ 609,580	$ 845,580
2024	109,000	17,419	126,419	160,000	583,000	743,000	269,000	600,419	869,419
2025	111,000	14,684	125,684	190,000	575,000	765,000	301,000	589,684	890,684
2026	114,000	11,897	125,897	220,000	565,500	785,500	334,000	577,397	911,397
2027	117,000	6,099	123,099	255,000	554,500	809,500	372,000	560,599	932,599
2028	243,000	3,087	246,087	290,000	541,748	831,748	533,000	544,835	1,077,835
2029	-	-	-	330,000	527,250	857,250	330,000	527,250	857,250
2030	-	-	-	375,000	510,750	885,750	375,000	510,750	885,750
2031	-	-	-	420,000	492,000	912,000	420,000	492,000	912,000
2032	-	-	-	465,000	475,200	940,200	465,000	475,200	940,200
2033	-	-	-	510,000	456,600	966,600	510,000	456,600	966,600
2034	-	-	-	560,000	436,200	996,200	560,000	436,200	996,200
2035	-	-	-	610,000	413,800	1,023,800	610,000	413,800	1,023,800
2036	-	-	-	670,000	389,400	1,059,400	670,000	389,400	1,059,400
2037	-	-	-	725,000	362,600	1,087,600	725,000	362,600	1,087,600
2038	-	-	-	790,000	333,600	1,123,600	790,000	333,600	1,123,600
2039	-	-	-	855,000	302,000	1,157,000	855,000	302,000	1,157,000
2040	-	-	-	920,000	267,800	1,187,800	920,000	267,800	1,187,800
2041	-	-	-	995,000	231,000	1,226,000	995,000	231,000	1,226,000
2042	-	-	-	1,070,000	191,200	1,261,200	1,070,000	191,200	1,261,200
2043	-	-	-	1,150,000	148,400	1,298,400	1,150,000	148,400	1,298,400
2044	-	-	-	1,235,000	102,400	1,337,400	1,235,000	102,400	1,337,400
2045	-	-	-	1,325,000	53,002	1,378,002	1,325,000	53,002	1,378,002
Total	$ 800,000	$ 73,266	$ 873,266	$ 14,250,000	$ 9,102,450	$ 23,352,450	$ 15,050,000	$ 9,175,716	$ 24,225,716

AUDIT COMMENTS AND DISCLOSURES REQUIRED BY FEDERAL AND STATE REGULATIONS

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INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS

Board of Directors
Lebanon Fire District
Lebanon, Oregon 97355

We have audited the basic financial statements of Lebanon Fire District as of and for the year ended June 30, 2022 and have issued our report thereon dated October 24, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

As part of obtaining reasonable assurance about whether Lebanon Fire 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 162-010-0000 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)

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)

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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, 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.

OAR 162-010-0230 Internal Control

In planning and performing our audit, we considered Lebanon Fire District's internal control over financial reporting as a basis for designing our auditing procedures 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 internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Lebanon Fire District's internal control over financial reporting.

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 a 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses, as defined above.

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.

This report is intended solely for the information and use of the board of directors and management of Lebanon Fire District 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

Accuity, LLC
October 24, 2022

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Lebanon Fire District
Lebanon, Oregon 97355

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lebanon Fire District as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise Lebanon Fire District's basic financial statements, and have issued our report thereon dated October 24, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit, we considered Lebanon Fire District, Lebanon, Oregon's internal control over financial reporting (internal control) 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 Lebanon Fire District, Lebanon, Oregon's internal control. Accordingly, we do not express an opinion on the effectiveness of Lebanon Fire District, Lebanon, Oregon'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 a 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 over financial reporting was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 were not identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lebanon Fire District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Lebanon Fire District's Response to Findings

Governmental Auditing Standards requires the auditor to perform limited procedures on Lebanon Fire District's response to the findings identifies in our audit and described in the accompanying schedule of findings and questioned costs, if applicable. Lebanon Fire District's response, if applicable, was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

This purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Accuity, LLC

Accuity, LLC
Albany, Oregon
October 24, 2022