



**LANE FIRE AUTHORITY**  
**Lane County, Oregon**

**ANNUAL FINANCIAL REPORT**

June 30, 2021

DRAFT



**LANE FIRE AUTHORITY**  
**Lane County, Oregon**

**DISTRICT OFFICIALS**

June 30, 2021

**BOARD OF DIRECTORS**

John Baxter, President  
Cheshire, Oregon

Greg Deedon, Vice President  
Eugene, Oregon

Ryan Walker, Secretary  
Veneta, Oregon

Bill Clendenen  
Eugene, Oregon

Pete Holmes  
Noti, Oregon

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

**FIRE CHIEF AND REGISTERED AGENT**

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

**ADMINISTRATION**

Cheryl Hunter, Business Manager

**LANE FIRE AUTHORITY**  
**Lane County, Oregon**

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**FINANCIAL SECTION**

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## **BASIC FINANCIAL STATEMENTS**

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**LANE FIRE AUTHORITY**  
**Lane County, Oregon**

**STATEMENT OF NET POSITION - MODIFIED CASH BASIS**

June 30, 2021

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets	
Cash and cash equivalents	\$ 1,121,275
Capital assets not being depreciated	1,146,121
Capital assets being depreciated, net	<u>5,333,092</u>
Total assets	<u>7,600,488</u>
<b>LIABILITIES</b>	
Current liabilities	
Payroll liabilities	316
Long-term liabilities, current portion	<u>75,488</u>
Total current liabilities	<u>75,804</u>
Noncurrent liabilities	
Long-term liabilities, less current portion	<u>40,730</u>
Total liabilities	<u>116,534</u>
<b>NET POSITION</b>	
Net investment in capital assets	6,362,995
Unrestricted	<u>1,120,959</u>
Total net position	<u>\$ 7,483,954</u>

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

**LANE FIRE AUTHORITY**  
**Lane County, Oregon**

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the Year Ended June 30, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Changes in</u>
			<u>Contributions</u>	<u>Contributions</u>	<u>Net Position</u>
					<u>Governmental</u>
					<u>Activities</u>
Governmental activities					
Fire suppression	\$ 8,010,904	\$ 3,684,973	\$ 539,880	\$ 64,505	\$ (3,721,546)
Unallocated depreciation	617,048	-	-	-	(617,048)
Total governmental activities	<u>\$ 8,627,952</u>	<u>\$ 3,684,973</u>	<u>\$ 539,880</u>	<u>\$ 64,505</u>	<u>(4,338,594)</u>
General revenues					
Property taxes levied for general purposes					4,988,973
Investment earnings					6,926
Miscellaneous					<u>73,392</u>
Total general revenues					<u>5,069,291</u>
Change in net position					730,697
Net position - beginning					<u>6,753,257</u>
Net position - ending					<u>\$ 7,483,954</u>

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

**LANE FIRE AUTHORITY**  
**Lane County, Oregon**

**BALANCE SHEET - MODIFIED CASH BASIS**

**GOVERNMENTAL FUNDS**

June 30, 2021

	General Fund
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,121,275
<b>LIABILITIES</b>	
Payroll liabilities	\$ 316
<b>FUND BALANCES</b>	
Fund balances	
Unassigned	1,120,959
Total liabilities and fund balances	\$ 1,121,275

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



**LANE FIRE AUTHORITY**  
**Lane County, Oregon**

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

June 30, 2021

<b>Total fund balances</b>		\$ 1,120,959
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Cost	17,897,599	
Accumulated depreciation	<u>(11,418,386)</u>	6,479,213
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but rather, is recognized as an expenditure when due. These liabilities consist of:		
Long-term liabilities payable		<u>(116,218)</u>
<b>Net position of governmental activities</b>		<u><u>\$ 7,483,954</u></u>

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

**LANE FIRE AUTHORITY**  
**Lane County, Oregon**

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

GOVERNMENTAL FUNDS

For the Year Ended June 30, 2021

	General Fund
<b>REVENUES</b>	
Property taxes	\$ 4,988,973
Charges for services	2,649,535
Investment earnings	6,926
Grant revenue	604,385
Contract services	1,035,438
Miscellaneous	73,392
	<hr/>
Total revenues	9,358,649
	<hr/>
<b>EXPENDITURES</b>	
Fire suppression	
Personnel services	6,372,781
Materials and services	1,622,769
Capital outlay	748,190
Debt service	1,533,030
	<hr/>
Total expenditures	10,276,770
	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(918,121)
<b>OTHER FINANCING SOURCES (USES)</b>	
Loan proceeds	1,300,000
Sale of assets	61,613
	<hr/>
Total other financing sources (uses)	1,361,613
	<hr/>
Net change in fund balances	443,492
Fund balances - beginning, as restated	677,467
	<hr/>
Fund balances - ending	\$ 1,120,959
	<hr/> <hr/>

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

**LANE FIRE AUTHORITY**  
**Lane County, Oregon**

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

For the Year Ended June 30, 2021

<b>Net change in fund balances</b>	\$ 443,492
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Amounts reported for governmental activities in the statement of activities are different because:

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

Expenditures for capital assets	725,447	
Depreciation expense recorded in the current year	<u>(617,048)</u>	108,399

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

Debt principal paid		<u>178,806</u>
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<b>Change in net position</b>	<u><u>\$ 730,697</u></u>
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The accompanying notes are an integral part of these modified cash basis financial statements.

## NOTES TO BASIC FINANCIAL STATEMENTS

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**LANE FIRE AUTHORITY**  
**Lane County, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2021

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Description of Government-Wide Financial Statements**

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

**B. Reporting Entity**

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

**C. Basis of Presentation – Government-Wide Financial Statements**

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

**D. Basis of Presentation – Fund Financial Statements**

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

**LANE FIRE AUTHORITY**  
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**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2021

The government reports the following major governmental fund:

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

**E. Measurement Focus and Basis of Accounting**

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

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

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

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

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

**F. Budgetary Information**

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

**LANE FIRE AUTHORITY**  
**Lane County, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2021

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

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

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

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

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

**1. Cash and Cash Equivalents**

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

**2. Investments**

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

**LANE FIRE AUTHORITY**  
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**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2021

**3. Capital Assets**

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

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

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

**4. Net Position Flow Assumption**

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

**5. Fund Balance Flow Assumption**

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



**LANE FIRE AUTHORITY**  
**Lane County, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2021

**6. Fund Balance Policies**

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

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

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

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

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

**LANE FIRE AUTHORITY**  
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**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2021

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

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

**H. Revenues and Expenditures/Expenses**

**1. Program Revenues**

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

**2. Property Taxes**

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

**I. Use of Estimates**

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

**II. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS**

**A. Deposits and Investments**

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

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

**LANE FIRE AUTHORITY**  
**Lane County, Oregon**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

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

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

The portion of the external investment pool which belongs to local government investment participants is reported in an Investment Trust Fund in the State's Comprehensive Annual Financial Report (CAFR). A copy of the State's CAFR 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, 2021.

Fair values of assets measured on a recurring basis at June 30, 2021 are as follows:

	<u>Level 2</u>
Investments	
Local Government Investment Pool	<u>\$ 854,433</u>

**LANE FIRE AUTHORITY**  
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**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2021

Credit Risk

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

Investments

As of June 30, 2021, the Authority had the following investments:

	Credit Quality Rating	Maturities	Fair Value
Local Government Investment Pool	Unrated	-	\$ 854,433

Interest Rate Risk

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

Concentration of Credit Risk

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

Custodial Credit Risk – Investments

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

Custodial Credit Risk – Deposits

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

**LANE FIRE AUTHORITY**  
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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities. The Authority holds accounts at Banner Bank, for which deposits are insured by the FDIC up to \$250,000. At June 30, 2021, the Authority had deposits of \$250,000 insured by the FDIC and \$62,409 collateralized by the PFCP.

Deposits

Cash and investments by fund:

Governmental activities - unrestricted	
General Fund	\$ 1,121,275

The Authority's deposits and investments at June 30, 2021 are as follows:

Petty cash	\$ 200
Checking accounts	266,642
Total investments	<u>854,433</u>
Total deposits	<u>\$ 1,121,275</u>

**B. Capital Assets**

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 492,989	\$ -	\$ -	\$ 492,989
Construction in progress	-	653,132	-	653,132
Total capital assets not being depreciated	<u>492,989</u>	<u>653,132</u>	<u>-</u>	<u>1,146,121</u>
Capital assets being depreciated				
Buildings & improvements	5,516,332	44,196	-	5,560,528
Fire trucks and vehicles	9,842,877	-	(189,211)	9,653,666
Equipment	1,509,165	28,119	-	1,537,284
Total capital assets being depreciated	<u>16,868,374</u>	<u>72,315</u>	<u>(189,211)</u>	<u>16,751,478</u>
Less accumulated depreciation for				
Buildings & improvements	(1,909,272)	(121,944)	-	(2,031,216)
Fire trucks and vehicles	(7,929,068)	(375,229)	189,211	(8,115,086)
Equipment	(1,152,209)	(119,875)	-	(1,272,084)
Total accumulated depreciation	<u>(10,990,549)</u>	<u>(617,048)</u>	<u>189,211</u>	<u>(11,418,386)</u>
Total capital assets being depreciated, net	<u>5,877,825</u>	<u>(544,733)</u>	<u>-</u>	<u>5,333,092</u>
Governmental activities capital assets, net	<u>\$ 6,370,814</u>	<u>\$ 108,399</u>	<u>\$ -</u>	<u>\$ 6,479,213</u>

**LANE FIRE AUTHORITY**  
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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

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

	Capital Assets	Accumulated Depreciation	Net Capital Assets
Governmental activities			
Land	\$ 492,989	\$ -	\$ 492,989
Buildings & improvements	5,560,528	(2,031,216)	3,529,312
Apparatus	9,653,666	(8,115,086)	1,538,580
Equipment	1,537,284	(1,272,084)	265,200
Total capital assets	<u>\$ 17,897,599</u>	<u>\$ (11,418,386)</u>	<u>\$ 6,479,213</u>

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

Governmental activities	
Unallocated depreciation expense	<u>\$ 617,048</u>

**C. Capital Leases**

**1. Changes in Capital Leases**

The following is a summary of capital lease transactions for the year:

	Rate	Amount	Balance	Additions	Reductions	Balance	One Year
Governmental activities							
Government Capital Lease	3.95%	<u>\$ 100,000</u>	<u>\$ 79,815</u>	<u>\$ -</u>	<u>\$ 18,810</u>	<u>\$ 61,005</u>	<u>\$ 19,553</u>

**2. Government Capital Lease**

In July 2019, the Authority signed a lease agreement for a computer network server and technology, which is pledged as collateral. Interest is fixed at 3.95% and due annually on January 31. The General Fund has traditionally been used to liquidate this lease. Interest expense for the year ended June 30, 2021 was \$3,150.

**3. Future Maturities of Capital Leases**

Year Ending June 30	Government Capital Lease		
	Principal	Interest	Total
2022	\$ 19,553	\$ 2,410	\$ 21,963
2023	20,325	1,637	21,962
2024	21,127	835	21,962
Total	<u>\$ 61,005</u>	<u>\$ 4,882</u>	<u>\$ 65,887</u>

**LANE FIRE AUTHORITY**  
**Lane County, Oregon**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

**D. 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							
Banner Bank Note	3.29%	\$ 1,575,897	\$ 231,897	\$ -	\$ 168,000	\$ 63,897	\$ 63,897
Cascade Escrow Note	7.80%	84,571	63,127	-	10,806	52,321	11,591
Total governmental activities		<u>\$ 1,660,468</u>	<u>\$ 295,024</u>	<u>\$ -</u>	<u>\$ 178,806</u>	<u>\$ 116,218</u>	<u>\$ 75,488</u>

**2. Banner Bank Note**

In November 2011, the Authority signed a note agreement to purchase equipment, which is pledged as collateral. Interest is fixed at 3.29% and due semiannually on January 1 and July 1. The General Fund has traditionally been used to liquidate this obligation. If the Agency is unable to make payment, the agreement contains an event of default; the lender may declare the entire unpaid principal balance and any unpaid accrued interest due immediately, may sell the collateral, and may increase the interest rate to 20.0%.

**3. Cascade Escrow Note**

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

Interest expense for the year ended June 30, 2021 was \$18,900 total for both notes.

**4. Future Maturities of Long-Term Liabilities**

Year Ending June 30	Banner Bank Note			Cascade Escrow Note		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 63,897	\$ 5,523	\$ 69,420	\$ 11,591	\$ 3,295	\$ 14,886
2023	-	-	-	12,429	2,457	14,886
2024	-	-	-	13,327	1,559	14,886
2025	-	-	-	14,974	595	15,569
Total	<u>\$ 63,897</u>	<u>\$ 5,523</u>	<u>\$ 69,420</u>	<u>\$ 52,321</u>	<u>\$ 7,906</u>	<u>\$ 60,227</u>

**E. Line of Credit**

Lane Fire Authority maintains a line of credit with Banner Bank to provide for cash flow needs prior to property tax receipts being received for the fiscal year. During the fiscal year, there were \$1,300,000 in both draw downs and repayments made on the line of credit.



**LANE FIRE AUTHORITY**  
**Lane County, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2021

**III. OTHER INFORMATION**

**A. Risk Management**

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

**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 for units of state governmental, 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, 2020, there were 901 participating employers.

*Plan Membership*

As of June 30, 2020, there were 16,323 active plan members, 129,520 retired plan members or their beneficiaries currently receiving benefits, 9,930 inactive plan members entitled to but not yet receiving benefits, for a total of 155,773 Tier One members.

For Tier Two members, as of June 30, 2020, there were 31,548 active plan members, 17,162 retired plan members or their beneficiaries currently receiving benefits, 13,880 inactive plan members entitled to but not yet receiving benefits, for a total of 62,590.

As of June 30, 2020, there were 130,806 active plan members, 6,940 retired plan members or their beneficiaries currently receiving benefits, 6,281 inactive plan members entitled to but not yet receiving benefits, and 16,439 inactive plan members not eligible for refund or retirements, for a total of 160,466 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.



**LANE FIRE AUTHORITY**  
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**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2021

*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.

**LANE FIRE AUTHORITY**  
**Lane County, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2021

*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.

**LANE FIRE AUTHORITY**  
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**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2021

*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, 2018 actuarial valuation, which became effective July 1, 2019. 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.

**LANE FIRE AUTHORITY**  
**Lane County, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2021

Employer contributions for the year ended June 30, 2021 were \$989,507.

Pension Plan Comprehensive Annual Financial Report (CAFR)

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/2020-CAFR.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, 2018
Measurement Date	June 30, 2020
Experience Study	2018, published July 24, 2019
<i>Actuarial Assumptions:</i>	
Actuarial Cost Method	Entry age normal
Inflation Rate	2.50 percent
Long-term Expected Rate of Return	7.20 percent
Discount Rate	7.20 percent
Projected Salary Increases	3.50 percent

**LANE FIRE AUTHORITY**  
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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

Cost of living adjustment (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<p><b>Health retirees and beneficiaries:</b> Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><b>Active members:</b> Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><b>Disabled retirees:</b> Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of 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, 2020 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.

**LANE FIRE AUTHORITY**  
**Lane County, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2021

Discount Rate

The discount rate used to measure the total pension liability was 7.20 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 67 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 67 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 67 (paragraph 43) 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 67 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 67 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.



**LANE FIRE AUTHORITY**  
**Lane County, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2021

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 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/2020-CAFR.pdf>

OIC Target and Actual Investment Allocation as of June 30, 2020

<u>Asset Class/Strategy</u>	<u>OIC Policy Low Range</u>	<u>OIC Policy High Range</u>	<u>OIC Target Allocation</u>	<u>Actual Allocation<sup>3</sup></u>
Debt Securities	15.0%	25.0%	20.0%	20.0%
Public Equity	27.5%	37.5%	32.5%	31.8%
Real Estate	9.5%	15.5%	12.5%	11.4%
Private Equity	14.0%	21.0%	17.5%	22.9%
Alternatives Portfolio	7.5%	17.5%	15.0%	10.5%
Opportunity Portfolio <sup>1</sup>	0.0%	3.0%	0.0%	2.1%
Risk Parity <sup>2</sup>	0.0%	2.5%	2.5%	1.3%
Total			100.0%	100.0%

<sup>1</sup>Opportunity Portfolio is an investment strategy, and it may be invested up to 3% of total plan net position.

<sup>2</sup>Risk Parity is a new investment strategy added to the asset allocation mix in 2019.

<sup>3</sup> Based on the actual investment value at 6/30/2020.

**LANE FIRE AUTHORITY**  
**Lane County, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2021

**C. Concentrations – Collective Bargaining**

At June 30, 2021, the District had 28 staff covered under a collective bargaining agreement. The existing agreement continues through June 30, 2022.

**D. New Pronouncements**

For the fiscal year ended June 30, 2021, the District implemented the following new accounting standards:

GASB Statement No. 84, *Fiduciary Activities* – This statement established criteria and guidance for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes, as well as the reporting requirements for these fiduciary funds.

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 Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32.

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. 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. The statement is effective for fiscal years beginning after June 15, 2020 (as amended by GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*).

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. The statement is effective for fiscal years beginning after June 15, 2022 (as amended by GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*).

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*).



**LANE FIRE AUTHORITY**  
**Lane County, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2021

**E. Restatement**

The Authority's previously issued financial statements were restated as follows:

<u>Budget Basis Statements</u>	<u>General Fund</u>
Fund balance - beginning, as originally reported	\$ 719,286
To adjust to cash basis for reporting	<u>(41,819)</u>
Fund balance - beginning, as restated	<u>\$ 677,467</u>

**F. Subsequent Events**

Management has evaluated subsequent events through Rep Letter Date, 2021, which was the date that the modified cash basis financial statements were available to be issued.

## **SUPPLEMENTARY INFORMATION**

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**LANE FIRE AUTHORITY**  
**Lane County, Oregon**

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

GENERAL FUND

For the Year Ended June 30, 2021

				Actual		
	Original Budget	Final Budget	Variance with Final Budget Over (Under)	Budget Basis	Adjustments	Modified Cash Basis
<b>REVENUES</b>						
Property taxes	\$ 4,840,260	\$ 4,840,260	\$ 148,713	\$ 4,988,973	\$ -	\$ 4,988,973
Charges for services	1,874,100	2,293,516	356,019	2,649,535	-	2,649,535
Grant revenue	10,000	598,402	5,983	604,385	-	604,385
Contract services	1,035,438	1,035,438	-	1,035,438	-	1,035,438
Investment earnings	-	-	6,926	6,926	-	6,926
Miscellaneous	98,000	98,000	(24,608)	73,392	-	73,392
Total revenues	<u>7,857,798</u>	<u>8,865,616</u>	<u>493,033</u>	<u>9,358,649</u>	<u>-</u>	<u>9,358,649</u>
<b>EXPENDITURES</b>						
Current						
Personnel services	6,272,960	6,593,888	(221,107)	6,372,781	-	6,372,781
Materials and services	1,619,405	1,659,405	(36,636)	1,622,769	-	1,622,769
Capital outlay	64,000	760,890	(12,700)	748,190	-	748,190
Debt service	216,666	216,666	(3,894)	212,772	1,320,258	1,533,030
Contingency	50,000	-	-	-	-	-
Total expenditures	<u>8,223,031</u>	<u>9,230,849</u>	<u>(274,337)</u>	<u>8,956,512</u>	<u>1,320,258</u>	<u>10,276,770</u>
Excess (deficiency) of revenues over (under) expenditures	(365,233)	(365,233)	767,370	402,137	(1,320,258)	(918,121)
<b>OTHER FINANCING SOURCES (USES)</b>						
Loan proceeds	1,665,000	1,665,000	(365,000)	1,300,000	-	1,300,000
Sale of assets	130,100	130,100	(68,487)	61,613	-	61,613
Special payments	(1,700,000)	(1,700,000)	(379,742)	(1,320,258)	1,320,258	-
Total other financing sources (uses)	<u>95,100</u>	<u>95,100</u>	<u>(53,745)</u>	<u>41,355</u>	<u>1,320,258</u>	<u>1,361,613</u>
Net change in fund balance	(270,133)	(270,133)	(45,859)	443,492	-	443,492
Fund balance beginning, as restated	<u>280,500</u>	<u>280,500</u>	<u>396,967</u>	<u>677,467</u>	<u>-</u>	<u>677,467</u>
Fund balance - ending	<u>\$ 10,367</u>	<u>\$ 10,367</u>	<u>\$ 351,108</u>	<u>\$ 1,120,959</u>	<u>\$ -</u>	<u>\$ 1,120,959</u>

# LANE FIRE AUTHORITY

## Lane County, Oregon

### DETAIL OF EXPENDITURES

#### GENERAL FUND

For the Year Ended June 30, 2021

	Actual Budget Basis	Final Budget	Variance with Final Budget Over (Under)
<b>EXPENDITURES</b>			
<b>30.0 · PERSONNEL SERVICES</b>			
<b>30 · SALARIES</b>			
3011 · Fire Chief	127,924.39	144,610.00	(16,685.61)
3012 · Assistant Chief	131,595.36	131,595.00	0.36
3014 · Line Captain	276,676.10	284,448.00	(7,771.90)
3015 · Lieutenant	601,706.95	618,716.00	(17,009.05)
3016 · Engineer	826,287.61	869,690.00	(43,402.39)
3017 · Firefighter	154,807.91	144,927.00	9,880.91
3018 · Training Officer	181,622.36	188,503.00	(6,880.64)
3020 · Maintenance Officer	103,706.40	96,299.00	7,407.40
3021 · Emergency Vehicle Technician	79,131.73	89,453.00	(10,321.27)
3022 · Code Enforcement Officer	89,345.00	92,919.00	(3,574.00)
3023 · Business Manager	102,607.96	102,608.00	(0.04)
3024 · Executive Secretary	60,547.50	60,548.00	(0.50)
3025 · Temporary/Seasonal Workers			
3025.1 · Tender Standby	3,562.50		
3025.9 · Covid Vaccine Clinic	22,385.85		
3025 · Temporary/Seasonal Workers - Other	67,934.14	80,000.00	(12,065.86)
Total 3025 · Temporary/Seasonal Workers	93,882.49	80,000.00	13,882.49
3026 · Overtime			
3026.1 · FLSA 1/2 & FLSA OT	134,914.23		
3026.3 · Comp Time - Cash Out	30,522.62		
3026 · Overtime - Other	481,382.61	682,561.00	(201,178.39)
Total 3026 · Overtime	646,819.46	682,561.00	(35,741.54)
3027 · Vacation Liability	163,533.96	160,000.00	3,533.96
3029 · Part-time Single Role Medics	40,626.09	39,700.00	926.09
3030 · Conflagration Wages			
3030.1 · Conflag Hourly	23,017.14	23,017.14	-
3030.2 · Conflag OT	221,577.77	221,577.77	-
3030 · Conflagration Wages - Other	0.00	100.00	(100.00)
Total 3030 · Conflagration Wages	244,594.91	244,694.91	(100.00)
3031 · Recruitment Coordinator	39,759.21	39,760.00	(0.79)
3033 · Board Member Payments	4,800.00	6,000.00	(1,200.00)
Total 30 · SALARIES	3,969,975.39	4,077,031.91	(107,056.52)

(continued)

**LANE FIRE AUTHORITY**  
**Lane County, Oregon**

**DETAIL OF EXPENDITURES**

**GENERAL FUND**

For the Year Ended June 30, 2021

	<u>Actual</u> <u>Budget</u> <u>Basis</u>	<u>Final</u> <u>Budget</u>	<u>Variance with</u> <u>Final Budget</u> <u>Over (Under)</u>
(continued)			
<b>30.4 · EMPLOYER PAYROLL EXPENSE</b>			
3051 · FICA Expense	303,630.49	311,838.78	(8,208.29)
3052 · State Unemployment Expense	203.33	1,000.00	(796.67)
3053 · Retirement	989,507.30	1,051,755.61	(62,248.31)
3054 · Medical & Dental Insurance	898,114.24	921,161.00	(23,046.76)
3055 · AD&D Insurance	51,485.87	56,000.00	(4,514.13)
3056 · Workers Compensation	115,219.67	125,000.00	(9,780.33)
3058 · Workers Benefit Fund Expense	1,042.27	1,100.00	(57.73)
<b>Total 30.4 · EMPLOYER PAYROLL EXPENSE</b>	<u>2,359,203.17</u>	<u>2,467,855.39</u>	<u>(108,652.22)</u>
<b>30.7 · VOLUNTEER PROGRAM</b>			
3071 · Volunteer FF LOSAP	6,308.59	9,000.00	(2,691.41)
3072 · Volunteer FF Reimbursement	37,294.91	40,000.00	(2,705.09)
<b>Total 30.7 · VOLUNTEER PROGRAM</b>	<u>43,603.50</u>	<u>49,000.00</u>	<u>(5,396.50)</u>
<b>Total 30.0 · PERSONNEL SERVICES</b>	<u>6,372,782.06</u>	<u>6,593,887.30</u>	<u>(221,105.24)</u>
			(continued)

# LANE FIRE AUTHORITY

## Lane County, Oregon

### DETAIL OF EXPENDITURES

#### GENERAL FUND

For the Year Ended June 30, 2021

	Actual Budget Basis	Final Budget	Variance with Final Budget Over (Under)
(continued)			
<b>32.0 · MATERIALS AND SERVICES</b>			
<b>32 · ADMINISTRATION AND BUSINESS</b>			
3211 · Office Supplies, Printing, Copy	20,570.67	15,000.00	5,570.67
3212 · M & R Office & Computer Systems	44,783.02	25,000.00	19,783.02
3213 · Postage and Freight	24,311.76	6,500.00	17,811.76
3214 · Magazines & Periodicals	0.00	100.00	(100.00)
3221 · Telephone and Internet Service	50,741.87	52,000.00	(1,258.13)
3222 · Electronic Communications	48,576.38	45,000.00	3,576.38
3223 · Utilities-Elec/Water/Sewer	70,835.50	81,000.00	(10,164.50)
3224 · Garbage	7,628.40	6,500.00	1,128.40
3225 · Heating Gas and Oil	38,526.52	36,000.00	2,526.52
3226 · Laundry Services	9,156.58	10,000.00	(843.42)
3231 · Vehicle Fuel	94,652.28	105,000.00	(10,347.72)
3241 · Banking Services	3,478.19	15,000.00	(11,521.81)
3242 · Accounting Services	20,000.00	14,000.00	6,000.00
3243 · Legal Services and Consulting	5,997.50	10,000.00	(4,002.50)
3244 · Dispatch	331,339.08	350,000.00	(18,660.92)
3251 · Insurance	110,347.00	110,000.00	347.00
3252 · Elections and Legal Notices	3,317.97	15,000.00	(11,682.03)
3253 · Dues and Memberships	8,955.73	10,000.00	(1,044.27)
3261 · Training - Admin Staff	0.00	5,000.00	(5,000.00)
3262 · Training - Board of Directors	0.00	2,000.00	(2,000.00)
3263 · Travel - Admin Staff	386.65	5,000.00	(4,613.35)
3264 · Travel - Board of Directors	0.00	2,000.00	(2,000.00)
3265 · Chiefs' Expense Account	62.81	1,000.00	(937.19)
3271 · Uniforms	15,414.57	26,000.00	(10,585.43)
3281 · Rent	5.00	5.00	-
3291 · Water, Food, and Condiments	4,507.01	6,000.00	(1,492.99)
<b>Total 32 · ADMINISTRATION AND BUSINESS</b>	<b>913,594.49</b>	<b>953,105.00</b>	<b>(39,510.51)</b>
			(continued)

# LANE FIRE AUTHORITY

## Lane County, Oregon

### DETAIL OF EXPENDITURES

#### GENERAL FUND

For the Year Ended June 30, 2021

	Actual Budget Basis	Final Budget	Variance with Final Budget Over (Under)
(continued)			
<b>33 · RECRUITMENT AND RENTENTION</b>			
3311 · Recruiting and Exams	1,317.39	1,000.00	317.39
3312 · Recruit Training	350.00	1,000.00	(650.00)
3313 · Volunteer Support	36,755.57	40,000.00	(3,244.43)
3314 · Civil Service Commission	0.00	100.00	(100.00)
3315 · FireMed Memberships	896.00	6,500.00	(5,604.00)
3316 · DPSST Fingerprinting/Background	1,247.50	1,000.00	247.50
3317 · Educational Reimbursement	0.00	0.00	-
<b>Total 33 · RECRUITMENT AND RENTENTION</b>	<b>40,566.46</b>	<b>49,600.00</b>	<b>(9,033.54)</b>
<b>33.1 · STUDENT RESIDENT PROGRAM</b>			
3321 · School tuition, books, and fees	1,600.00	13,000.00	(11,400.00)
<b>Total 33.1 · STUDENT RESIDENT PROGRAM</b>	<b>1,600.00</b>	<b>13,000.00</b>	<b>(11,400.00)</b>
<b>33.2 · HEALTH AND SAFETY PROGRAM</b>			
3331 · Preventative Medical			
3331.1 · Medical Evaluations - Renewals	0.00	7,200.00	(7,200.00)
3331.2 · Medical Evaluals - New Recruits	8,905.00	15,000.00	(6,095.00)
3331.3 · Medical Evals - Fit for Duty	0.00	1,000.00	(1,000.00)
3331.4 · Vaccinations	742.00	1,000.00	(258.00)
3332.1 · Gym Memberships	0.00	0.00	-
3332.2 · Peer Fitness Trainer Cert.	228.35	1,000.00	(771.65)
3331 · Preventative Medical - Other	0.00	0.00	-
<b>Total 3331 · Preventative Medical</b>	<b>9,875.35</b>	<b>25,200.00</b>	<b>(15,324.65)</b>
3333 · Employee Assistance Program	4,800.00	4,800.00	-
<b>Total 33.2 · HEALTH AND SAFETY PROGRAM</b>	<b>14,675.35</b>	<b>30,000.00</b>	<b>(15,324.65)</b>
<b>34 · FIRE AND RESCUE OPS PROGRAM</b>			
3411 · Supplies - Fire Suppression	2,575.81	6,000.00	(3,424.19)
3412 · M & R - Fire Equipment	51,041.69	30,000.00	21,041.69
3413 · Safety Supplies	7,110.66	3,000.00	4,110.66
3422 · Address Markers	5,019.46	100.00	4,919.46
3431 · Water Sources & Hydrant Testing	0.00	100.00	(100.00)
<b>Total 34 · FIRE AND RESCUE OPS PROGRAM</b>	<b>65,747.62</b>	<b>39,200.00</b>	<b>26,547.62</b>
			(continued)

# LANE FIRE AUTHORITY

## Lane County, Oregon

### DETAIL OF EXPENDITURES

#### GENERAL FUND

For the Year Ended June 30, 2021

	Actual Budget Basis	Final Budget	Variance with Final Budget Over (Under)
(continued)			
<b>35 · FIRE &amp; RESCUE TRAINING PROGRAM</b>			
3511 · Fire Training Supplies	3,775.29	6,000.00	(2,224.71)
3512 · M & R - Training Equipment	0.00	200.00	(200.00)
3521 · Fire Training Classes	450.00	4,000.00	(3,550.00)
3522 · Training Travel	0.00	4,000.00	(4,000.00)
<b>Total 35 · FIRE &amp; RESCUE TRAINING PROGRAM</b>	<b>4,225.29</b>	<b>14,200.00</b>	<b>(9,974.71)</b>
<b>36 · EMERGENCY MEDICAL SERVICES PGRM</b>			
3611 · EMS Supplies	116,134.86	98,000.00	18,134.86
3612 · EMS Training Supplies	126.35	500.00	(373.65)
3613 · EMS M & R Equipment	16,093.58	8,000.00	8,093.58
3614 · EMS M & R Training Equipment	0.00	100.00	(100.00)
3631 · EMS Initial Training	0.00	5,000.00	(5,000.00)
3632 · EMS Continuing Education	0.00	5,000.00	(5,000.00)
3633 · EMT Recertification	5,386.00	5,000.00	386.00
3641 · Physician Advisor	30,000.00	30,000.00	-
3642 · Ambulance Billing	51,083.09	55,000.00	-3,916.91
<b>Total 36 · EMERGENCY MEDICAL SERVICES PGRM</b>	<b>218,823.88</b>	<b>206,600.00</b>	<b>12,223.88</b>
<b>37 · MAINTENANCE PROGRAM</b>			
3711 · Materials & Supplies - Building	25,608.74	20,000.00	5,608.74
3712 · Materials & Supplies -Apparatus	61,759.54	60,000.00	1,759.54
3713 · Materials & Supplies-Radio/Elec	3,018.43	3,000.00	18.43
3721 · Sublet Maint & Repair -Building	47,245.05	45,000.00	2,245.05
3722 · Sublet Maint & Repair -Vehicles	211,691.61	210,000.00	1,691.61
3723 · Maintenance & Repair-Radio/Elec	3,072.26	5,200.00	(2,127.74)
<b>Total 37 · MAINTENANCE PROGRAM</b>	<b>352,395.63</b>	<b>343,200.00</b>	<b>9,195.63</b>
<b>38 · FIRE PREVENTION &amp; PUB ED PRGM</b>			
3811 · Public Education - Supplies	0.00	3,000.00	(3,000.00)
3812 · Fire Prevention Supplies	1,074.95	1,500.00	(425.05)
3813 · Training - Prevention & Pub Ed	0.00	300.00	(300.00)
<b>Total 38 · FIRE PREVENTION &amp; PUB ED PRGM</b>	<b>1,074.95</b>	<b>4,800.00</b>	<b>(3,725.05)</b>
<b>39 · SERVICE CORPS PROGRAM</b>			
3911 · CERT Supplies	0.00	100.00	(100.00)
3912 · CERT Training	0.00	100.00	(100.00)
3921 · Chaplains Supplies	0.00	100.00	(100.00)
3922 · Chaplains Training	0.00	100.00	(100.00)
<b>Total 39 · SERVICE CORPS PROGRAM</b>	<b>0.00</b>	<b>400.00</b>	<b>(400.00)</b>

(continued)



# LANE FIRE AUTHORITY

Lane County, Oregon

## DETAIL OF EXPENDITURES

### GENERAL FUND

For the Year Ended June 30, 2021

	Actual Budget Basis	Final Budget	Variance with Final Budget Over (Under)
(continued)			
<b>39.1 · EMERGENCY MANAGEMENT PROGRAM</b>			
3931 · Emergency Management Supplies	0.00	100.00	(100.00)
3932 · Emergency Management Training	0.00	100.00	(100.00)
3933 · Emergency Mgmt Planning/Consult	0.00	100.00	(100.00)
<b>Total 39.1 · EMERGENCY MANAGEMENT PROGRAM</b>	<b>0.00</b>	<b>300.00</b>	<b>(300.00)</b>
<b>39.4 · EXTERNAL TRAINING PROGRAM</b>			
3941 · External Training & Supplies	10,061.66	5,000.00	5,061.66
<b>Total 39.4 · EXTERNAL TRAINING PROGRAM</b>	<b>10,061.66</b>	<b>5,000.00</b>	<b>5,061.66</b>
<b>Total 32.0 · MATERIALS AND SERVICES</b>	<b>1,622,765.33</b>	<b>1,659,405.00</b>	<b>(36,639.67)</b>
<b>40.0 · CAPITAL OUTLAY - SMALL EQUIPMNT</b>			
<b>40 · SMALL EQUIPMENT</b>			
4001 · Vehicle Equipment	644,581.95	693,565.29	(48,983.34)
4002 · Building Equipment	35,955.99	7,500.00	28,455.99
4011 · EMS Equipment - Capital	31,413.21	5,000.00	26,413.21
4012 · EMS Training Equipment - Capital	0.00	1,000.00	(1,000.00)
4021 · Fire Suppression Equip - Capital	6,193.48	1,000.00	5,193.48
4022 · Fire Training Equip. - Capital	0.00	3,000.00	(3,000.00)
4031 · Rescue Equipment - Capital	5,405.26	7,825.00	(2,419.74)
4041 · Safety Equipment - Capital	11,817.95	20,000.00	(8,182.05)
4051 · Communications Equip - Capital	3,677.16	15,000.00	(11,322.84)
4061 · Shop Equip. & Tools - Capital	875.17	2,000.00	(1,124.83)
4071 · Office Equipment - Capital	8,270.86	5,000.00	3,270.86
<b>Total 40 · SMALL EQUIPMENT</b>	<b>748,191.03</b>	<b>760,890.29</b>	<b>(12,699.26)</b>
<b>Total 40.0 · CAPITAL OUTLAY - SMALL EQUIPMNT</b>	<b>748,191.03</b>	<b>760,890.29</b>	<b>(12,699.26)</b>
<b>40.2 · SPECIAL PAYMENTS</b>			
4095 · Tax Anticipation Note Repayment	1,320,258.25	1,700,000.00	(379,741.75)
<b>Total 40.2 · SPECIAL PAYMENTS</b>	<b>1,320,258.25</b>	<b>1,700,000.00</b>	<b>(379,741.75)</b>
<b>51.0 · Debt Service</b>			
5101 · Flex Lease - Principal	186,795.48	186,900.00	(104.52)
5102 · Flex Lease - Interest	10,910.91	14,206.00	(3,295.09)
5103 · Station 101 Property Payment	15,065.76	15,060.00	5.76
<b>Total 51.0 · Debt Service</b>	<b>212,772.15</b>	<b>216,166.00</b>	<b>(3,393.85)</b>
<b>Total Expense</b>	<b>10,276,768.82</b>	<b>10,930,348.59</b>	<b>(653,579.77)</b>

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

DRAFT