



WESTERN LANE FIRE & EMS AUTHORITY
Lane County, Oregon

ANNUAL FINANCIAL REPORT

June 30, 2022



**WESTERN LANE FIRE & EMS AUTHORITY
Lane County, Oregon**

AGENCY OFFICIALS

June 30, 2022

BOARD OF DIRECTORS

John Murphey, President
Florence, Oregon

Sam Spayd, Vice President
Florence, Oregon

Cindy Russell, Secretary/Treasurer
Florence, Oregon

Jim Palisi
Florence, Oregon

ADMINISTRATION

Michael Schick, Authority Manager

ADMINISTRATIVE OFFICE

2625 Highway 101
Florence, Oregon 97439

REGISTERED AGENT

Mark Wolf, Local Government Law Group
975 Oak Street, Suite 700
Eugene, Oregon 97401

WESTERN LANE FIRE & EMS AUTHORITY
Lane County, Oregon

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Board of Directors
Western Lane Fire & EMS Authority
Florence, Oregon 97439

Opinions

We have audited the accompanying financial statements of the business-type activities and the major fund of Western Lane Fire & EMS Authority, Lane County, Oregon, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the major fund of Western Lane Fire & EMS Authority, Lane County, 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. 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 Western Lane Fire & EMS Authority, Lane County, Oregon, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - Change in Accounting Principle

As described in the notes to the financial statements, in the year ended June 30, 2022, the Authority 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 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.

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 Western Lane Fire & EMS Authority, Lane County, Oregon'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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Western Lane Fire & EMS Authority, Lane County, Oregon's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Western Lane Fire & EMS Authority, Lane County, Oregon’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 February 21, 2023 on our tests of the Authority’s compliance with certain provisions of laws and regulations specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Accuity, LLC

By: 

Glen O. Kearns, CPA

Albany, Oregon
February 21, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

WESTERN LANE FIRE & EMS AUTHORITY
Lane County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

INTRODUCTION

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

FINANCIAL HIGHLIGHTS

- At June 30, 2022, total net position of Western Lane Fire & EMS Authority amounted to \$583,676. Of this amount, \$36,177 was invested in capital assets. The remaining balance included \$547,499 of unrestricted net position.
- The Authority's total net position increased by \$323,938 during the current fiscal year.
- Overall revenues were \$1,593,338, which exceeded total expenses of \$1,269,400 by \$323,938.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Western Lane Fire & EMS Authority's basic financial statements. The Authority's basic financial statements are comprised of two components: (1) the basic financial statements and (2) the notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Basic Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Authority's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of the Authority'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 Authority is improving or deteriorating.

The statement of activities presents information showing how the Authority'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).

Since the Authority has only one proprietary fund and no governmental funds, all information is provided in the basic financial statements. The basic financial statements can be found on pages 8 through 10 of this report.

WESTERN LANE FIRE & EMS AUTHORITY
Lane County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

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 11 through 27 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the Authority's financial position. At June 30, 2022, the Authority's assets exceeded liabilities by \$583,676.

A large portion of the Authority's net position reflects its investment in capital assets (e.g., land, buildings, and equipment). The Authority uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Authority's Net Position

At the end of the current fiscal year, the Authority was able to report positive balances in all categories of net position. The Authority's net position increased by \$323,938 during the current fiscal year. This increase is primarily due to an increase in operating revenues.

Condensed statement of net position information is shown below.

Condensed Statement of Net Position

	2022	2021
Assets		
Current and other assets	\$ 365,766	\$ 175,005
Net capital assets	36,177	9,450
Total assets	401,943	184,455
Deferred outflows of resources	291,495	155,296
Liabilities		
Current liabilities	109,762	80,013
Net position		
Net investment in capital assets	36,177	9,450
Unrestricted	547,499	250,288
Total net position	\$ 583,676	\$ 259,738

WESTERN LANE FIRE & EMS AUTHORITY
Lane County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Authority's Changes in Net Position

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

Changes in Net Position

	2022	2021
Revenues		
Operating revenues	\$ 1,590,636	\$ 1,129,448
Nonoperating revenues	2,702	-
Total revenues	1,593,338	1,129,448
Expenses		
Personnel services	1,045,991	892,074
Materials and services	219,694	164,021
Depreciation expense	3,715	2,700
Total program expenses	1,269,400	1,058,795
Change in net position	323,938	70,653
Net position - beginning of year, as restated	259,738	189,085
Net position - end of year	\$ 583,676	\$ 259,738

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI). RSI includes the schedules of the Authority's proportionate share of the net pension liability - PERS and Authority contributions. This required supplementary information can be found on page 28.

FINANCIAL ANALYSIS OF THE AGENCY'S FUNDS

As noted earlier, the Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

CAPITAL ASSETS

The Authority's investment in capital assets for its business-type activities as of June 30, 2022 amounted to \$36,177, net of accumulated depreciation. This investment in capital assets includes equipment and vehicles. Depreciation expense for the year amounted to \$3,715. Additional information on the Authority's capital assets can be found on page 15 of this report.

WESTERN LANE FIRE & EMS AUTHORITY
Lane County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

KEY ECONOMIC FACTORS AND BUDGET INFORMATION FOR THE FUTURE

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

- Decrease in Siuslaw Valley Fire District and Western Lane Ambulance District's assessed valuations leading to a decrease in property tax revenues for the Authority.
- Increase in employee direct and indirect costs due to bargaining of a new contract with IAFF Local 851.
- Decrease in Western Lane Ambulance District's transport revenue.
- Loss of funding for the Medical Health Mobile Crisis Response and the Mobile Integrated Health programs.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Michael Schick, Authority Manager, Western Lane Fire & EMS Authority, 2625 Highway 101, Florence, Oregon 97439.

BASIC FINANCIAL STATEMENTS

WESTERN LANE FIRE & EMS AUTHORITY
Lane County, Oregon

STATEMENT OF NET POSITION

June 30, 2022

	<u>General Fund</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 43,922
Accounts receivable, net of allowance for uncollectibles	234,950
Prepaid expenses	<u>86,894</u>
Total current assets	<u>365,766</u>
Capital assets being depreciated, net	<u>36,177</u>
Total assets	<u>401,943</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>291,495</u>
LIABILITIES	
Current liabilities	
Accounts payable	31,927
Payroll liabilities	<u>77,835</u>
Total current liabilities	<u>109,762</u>
Total liabilities	<u>109,762</u>
NET POSITION	
Investment in capital assets	36,177
Unrestricted	<u>547,499</u>
Total net position	<u><u>\$ 583,676</u></u>

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

WESTERN LANE FIRE & EMS AUTHORITY
Lane County, Oregon

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Year Ended June 30, 2022

	General Fund
OPERATING REVENUES	
Contract service revenue	\$ 1,033,411
MH MCR Program	407,163
Refunds and reimbursements	<u>150,062</u>
Total operating revenues	<u>1,590,636</u>
OPERATING EXPENSES	
Personnel services	1,045,991
Materials and services	219,694
Depreciation	<u>3,715</u>
Total operating expenses	<u>1,269,400</u>
Operating income (loss)	321,236
NONOPERATING REVENUES (EXPENSES)	
Donations	<u>2,702</u>
Change in net position	323,938
Net position - beginning, as restated	<u>259,738</u>
Net position - ending	<u><u>\$ 583,676</u></u>

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

WESTERN LANE FIRE & EMS AUTHORITY
Lane County, Oregon

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2022

	General Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 1,467,542
Payments to employees	(1,177,964)
Payments to suppliers	(280,624)
	8,954
Net cash provided (used) by operating activities	8,954
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Purchases of capital assets	(30,442)
	(30,442)
Net cash provided (used) by noncapital financing activities	(30,442)
CASH FLOWS FROM INVESTING ACTIVITIES	
Donations received	2,702
	2,702
Net cash provided (used) by noncapital financing activities	2,702
Net increase (decrease) in cash and cash equivalents	(18,786)
Cash and cash equivalents - beginning, as restated	62,708
Cash and cash equivalents - ending	\$ 43,922
Reconciliation of operating income to net cash provided (used) by operating activities:	
Operating income (loss)	\$ 321,236
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	3,715
Deferred outflows	(136,199)
Changes in assets and liabilities	
(Increase) decrease in:	
Receivables	(123,094)
Prepaid assets	(86,453)
Increase (decrease) in:	
Accounts payable	25,523
Payroll liabilities	5,346
Compensated absences	(1,120)
	8,954
Net cash provided (used) by operating activities	\$ 8,954

The accompanying notes are an integral part of these financial statements

NOTES TO BASIC FINANCIAL STATEMENTS

WESTERN LANE FIRE & EMS AUTHORITY
Lane County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Western Lane Fire & EMS Authority was formed in 2019 under the authority of the Oregon Revised Statutes (ORS) Chapter 190.010 as an intergovernmental agency. The public purpose for which the authority was created was to create one governmental entity which would effectively service areas served by both Siuslaw Valley Fire & Rescue District and Western Lane Ambulance District. In doing so, the Authority provides increased efficiency in the provision of fire and emergency services to both communities. The creation of the Authority avoids duplication of overhead expenses, better utilizes equipment and resources, and more effectively and economically assigns and trains personnel. The creation of the regional authority constitutes the next logical step toward the most efficient and effective provision of services and allows both Board of Directors to evaluate the results prior to the final possible step of consolidating or merging the Districts to create a consolidated regional entity.

B. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds. Separate financial statements for proprietary funds are presented. The emphasis of fund financial statements is on major enterprise funds, each displayed in a separate column. Major individual enterprise funds are reported as separate columns in the fund financial statements.

The Authority reports the following major proprietary fund:

Enterprise Fund

General Fund – The General Fund is the primary operating fund of the Authority. It is used to account for all general operating revenue and expenses for the operation of the Authority.

C. 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 basic 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.

WESTERN LANE FIRE & EMS AUTHORITY
Lane County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

D. 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. Accounts Receivable

Receivables of the enterprise funds are recorded as revenue when earned. No allowance for uncollectible accounts has been established, as management deems all receivables collectible.

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

4. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable business-type activities columns in the government-wide 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 reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. 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
Vehicles	5

WESTERN LANE FIRE & EMS AUTHORITY
Lane County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

5. Deferred Outflows/Inflows of Resources

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 will therefore 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 element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and will therefore not be recognized as an inflow of resources (revenue) until that time.

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 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 - net position to have been depleted before unrestricted - net position is applied.

E. Revenues and Expenditures/Expenses

1. Pensions

For purposes of measuring the net pension liability or asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense (credit), information about the fiduciary net position of the Oregon Public Employees Retirement System (PERS) and additions to/deductions from PERS' fiduciary net position have been determined on the same basis as they are reported by 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.

2. 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 proprietary fund's principal ongoing operations. The principal operating revenues of the General Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues not meeting this definition are reported as nonoperating revenues and expenses.

WESTERN LANE FIRE & EMS AUTHORITY
Lane County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

F. 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. Deposits

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. 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 an account at Oregon Pacific Bank, for which deposits are insured by the FDIC up to \$250,000. At June 30, 2022, the Authority's total deposits of \$131,140 were fully insured by the FDIC.

Deposits

The Authority's deposits and investments at June 30, 2022 are as follows:

Checking account	\$ <u>43,922</u>
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Cash and investments by fund:

Governmental activities - unrestricted	
General Fund	\$ <u>43,922</u>

WESTERN LANE FIRE & EMS AUTHORITY
Lane County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

B. Capital Assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities				
Capital assets being depreciated				
Equipment	\$ -	\$ 30,442	\$ -	\$ 30,442
Vehicles	<u>13,500</u>	<u>-</u>	<u>-</u>	<u>13,500</u>
Total capital assets being depreciated	<u>13,500</u>	<u>30,442</u>	<u>-</u>	<u>43,942</u>
Less accumulated depreciation for				
Equipment	-	(1,015)	-	(1,015)
Vehicles	<u>(4,050)</u>	<u>(2,700)</u>	<u>-</u>	<u>(6,750)</u>
Total accumulated depreciation	<u>(4,050)</u>	<u>(3,715)</u>	<u>-</u>	<u>(7,765)</u>
Total capital assets being depreciated, net	<u>\$ 9,450</u>	<u>\$ 26,727</u>	<u>\$ -</u>	<u>\$ 36,177</u>

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

	<u>Capital Assets</u>	<u>Accumulated Depreciation</u>	<u>Net Capital Assets</u>
Business-type activities			
Equipment	\$ 30,442	\$ (1,015)	\$ 29,427
Vehicles	<u>13,500</u>	<u>(6,750)</u>	<u>6,750</u>
Total business-type capital assets	<u>\$ 43,942</u>	<u>\$ (7,765)</u>	<u>\$ 36,177</u>

Depreciation expense for the year ended June 30, 2022 amounted to \$3,715.

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.

WESTERN LANE FIRE & EMS AUTHORITY
Lane County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

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.

WESTERN LANE FIRE & EMS AUTHORITY
Lane County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

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.

WESTERN LANE FIRE & EMS AUTHORITY
Lane County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

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

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

Pension Benefits

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

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

General Service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

Death Benefits

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

Disability Benefits

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

Benefit Changes After Retirement

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

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June 30, 2022

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 Authority has opted to pick-up the contributions on behalf of its employees.

Employer contributions for the year ended June 30, 2022 were \$164,001.

WESTERN LANE FIRE & EMS AUTHORITY
Lane County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

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
<i>Actuarial Assumptions:</i>	
Actuarial Cost Method	Entry age normal
Inflation Rate	2.40 percent
Long-term Expected Rate of Return	6.90 percent
Discount Rate	6.90 percent
Projected Salary Increases	3.40 percent
Cost of living adjustment (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/.15%) in accordance with <i>Moro</i> decision; blend based on service.

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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

Mortality	<p>Health retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>
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Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are on the 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.

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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

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.

WESTERN LANE FIRE & EMS AUTHORITY
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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

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

<u>Asset Class/Strategy</u>	<u>OIC Policy Low Range</u>	<u>OIC Policy High Range</u>	<u>OIC Target Allocation</u>	<u>Actual Allocation²</u>
Debt Securities	15.0%	25.0%	20.0%	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%

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

² Based on the actual investment value at 6/30/2021.

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

At June 30, 2022, the Authority reported a liability of \$0 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.

WESTERN LANE FIRE & EMS AUTHORITY
Lane County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

The Authority's proportion of the net pension liability was based on a projection of the Authority'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 Authority's proportion was 0.00%. For the year ended June 30, 2021, the Authority recognized pension expense of \$30,942. At June 30, 2022, the Authority 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 employer contributions and employer's proportionate share of system contributions	\$ 127,494	\$ -
Total (prior to post-MD contributions)	127,494	-
Contributions subsequent to the MD	164,001	-
Totals	\$ 291,495	\$ -

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	\$ 30,942
2nd Fiscal Year	30,942
3rd Fiscal Year	30,942
4th Fiscal Year	25,435
5th Fiscal Year	9,233

WESTERN LANE FIRE & EMS AUTHORITY
Lane County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

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

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the Authority'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.

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

1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
\$ -	\$ -	\$ -

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. New Pronouncements

For the fiscal year ended June 30, 2022, the Authority 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.

WESTERN LANE FIRE & EMS AUTHORITY
Lane County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

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

GASB Statement No. 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*).

WESTERN LANE FIRE & EMS AUTHORITY
Lane County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

D. Restatement

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

<u>GAAP/budget basis</u>	<u>General Fund</u>
Net position - beginning, as originally reported	\$ 159,134
To correct misstatement of prior year receivables	<u>100,604</u>
Net position - beginning, as restated	<u><u>\$ 259,738</u></u>

E. Commitments and Contingencies

1. Intergovernmental Agreement

On August 22, 2019, Siuslaw Valley Fire & Rescue District and Western Lane Ambulance District entered into an IGA under ORS 190.003-190.030 to create by intergovernmental agreement a new entity "Western Lane Fire and EMS Authority." The effective date is October 1, 2019. The public purpose is to create one governmental entity which will effectively service both Districts' service areas. In doing so, the Authority will provide increased efficiency in the provision of fire and emergency services to both communities and "avoid the duplication of overhead expenses, better utilize equipment and resources, and more effectively assign and train personnel."

The Authority employs the Fire & EMS Chief, Operations Chief, Office Manager, Administrative staff, Community Support Team, and Mobile Crisis Response personnel. Under this agreement, Siuslaw Valley Fire & Rescue District and Western Lane Ambulance District paid the Authority \$527,218 and \$506,193, respectively, for the fiscal year ending June 30, 2022.

F. Subsequent Events

Management has evaluated subsequent events through February 21, 2023, which was the date that the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

WESTERN LANE FIRE & EMS AUTHORITY
Lane County, 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
District's proportion of the net pension liability (asset)	0.00000000%
District's proportionate share of the net pension liability (asset)	\$ -
District's covered-employee payroll	\$ -
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0%
Plan fiduciary net position as a percentage of the total pension liability	87.6%

Schedule of District Contributions

	2022
Contractually required contribution	\$ 164,001
Contributions in relation to the contractually required contribution	(164,001)
Contribution deficiency (excess)	\$ -
District's covered-employee payroll	\$ 725,934
Contributions as a percentage of covered-employee payroll	23%

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



INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Board of Directors
Western Lane Fire & EMS Authority
Florence, Oregon 97439

We have audited the basic financial statements of Western Lane Fire & EMS Authority as of and for the year ended June 30, 2022 and have issued our report thereon dated February 21, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether Western Lane Fire & EMS Authority'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)

Insurance and fidelity bonds in force or required by law

Programs Funded from outside sources

Authorized investment of surplus funds (ORS Chapter 294)

Public contracts and purchasing (ORS Chapters 279A, 279B, 279C)

In connection with our testing, nothing came to our attention that caused us to believe the Authority was not in substantial compliance with certain provisions of laws, contracts, and grants, including the provisions of Oregon Revised Statutes, as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-010-0230 Internal Control

In planning and performing our audit, we considered Western Lane Fire & EMS Authority’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 Western Lane Fire & EMS Authority’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Western Lane Fire & EMS Authority’s internal control over financial reporting. However, we noted certain matters that we have reported to management of the Authority in a separate letter dated February 21, 2023.

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

A handwritten signature in blue ink that reads "Accuity, LLC". The signature is written in a cursive style with a large, stylized "A" and "C".

Accuity, LLC
February 21, 2023