



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

**ANNUAL FINANCIAL REPORT**

June 30, 2024



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

**AGENCY OFFICIALS**

June 30, 2024

**BOARD OF DIRECTORS**

Jim Palisi, President

Mike Webb, Vice President

Linda Stent, Secretary/Treasurer

Vanessa Buss

David Carillo

Laurie Heppel

Adam Hollbrook

Tim Mendolia

Cindy Russell

Keith Stanton

\*All directors receive mail at the administrative office address below.

**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, 2024, 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, 2024, and the respective changes in financial position, and cash flows, 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, 2024, the Authority adopted new accounting guidance: GASB Statement No. 100, *Accounting Changes and Error Corrections*. 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.

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of the Authority's proportionate share of the net pension liability and Authority contributions for PERS, and OPEB RHIA, the schedules of changes in OPEB liability and related ratios – medical benefit, and budgetary comparison information on pages 5 through 8, and 41 through 45, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the management's discussion and analysis, the schedules of the Authority's proportionate share of the net pension liability and Authority contributions for PERS and OPEB RHIA, the schedules of changes in OPEB liability and related ratios – medical benefit in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the management's discussion and analysis, the schedules of the Authority's proportionate share of the net pension liability and Authority contributions for PERS and OPEB RHIA, the schedules of changes in OPEB liability and related ratios – medical benefit because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

## **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 November 21, 2024 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  
November 21, 2024

## **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, 2024. It should be read in conjunction with the Authority's financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

- At June 30, 2024, total net position of Western Lane Fire & EMS Authority amounted to \$(812,583). Of this amount, \$82,852 was invested in capital assets. The remaining balance included \$(895,435) of unrestricted net position.
- The Authority's total net position increased by \$2,261,415 during the current fiscal year.
- Overall revenues were \$10,640,230, which exceeded total expenses of \$8,378,815 by \$2,261,415.

**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 9 through 11 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 12 through 40 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, 2024, the Authority's liabilities exceeded assets by \$812,583. 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**

The Authority's net position increased by \$2,261,415 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**

	2024	2023
<b>Assets</b>		
Current and other assets	\$ 3,659,104	\$ 1,152,055
Net capital assets	82,852	68,631
Total assets	3,741,956	1,220,686
<b>Deferred outflows of resources</b>	3,239,397	3,143,117
<b>Liabilities</b>		
Current liabilities	1,114,426	924,672
Noncurrent liabilities	6,110,736	4,354,639
Total liabilities	7,225,162	5,279,311
<b>Deferred inflows of resources</b>	568,774	2,158,490
<b>Net position</b>		
Net investment in capital assets	82,852	68,631
Unrestricted	(895,435)	(3,142,629)
Total net position	\$ (812,583)	\$ (3,073,998)

**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**

	2024	2023
<b>Revenues</b>		
Operating revenues	\$ 10,567,354	\$ 6,941,355
Nonoperating revenues	72,876	1,911
Total revenues	10,640,230	6,943,266
<b>Expenses</b>		
Personnel services	6,815,223	10,078,305
Materials and services	1,544,675	511,676
Depreciation expense	18,917	10,959
Total program expenses	8,378,815	10,600,940
<b>Change in net position</b>	2,261,415	(3,657,674)
<b>Net position - beginning of year, as restated</b>	(3,073,998)	583,676
<b>Net position - end of year</b>	\$ (812,583)	\$ (3,073,998)

**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 and Authority contributions for PERS, and OPEB RHIA, the schedules of changes in OPEB liability and related ratios - medical benefit, and budgetary comparison information. This required supplementary information can be found on page 41 through 45.

**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, 2024 amounted to \$82,852, net of accumulated depreciation. This investment in capital assets includes equipment and vehicles. Depreciation expense for the year amounted to \$18,917. Additional information on the Authority's capital assets can be found on page 18 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 Authority and Western Lane Ambulance Authority'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 Authority's transport revenue.
- Loss of funding for the Medical Health Mobile Crisis Response and the Mobile Integrated Health programs.
- Due to the City of Florence's Multi-Unit Property Tax Exemption Program, the Authority and the Authoritys it operates will not see property taxes on residential improvements of approved multi-unit properties for up to ten years.

**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: Trish Lutgen, Office 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, 2024

	General Fund	Western Lane Crisis Response Fund	Totals
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents (book overdraft)	\$ 3,455,166	\$ (110,263)	\$ 3,344,903
Accounts receivable, net of allowance	24,460	132,602	157,062
Prepaid expenses	<u>92,552</u>	<u>-</u>	<u>92,552</u>
Total current assets	<u>3,572,178</u>	<u>22,339</u>	<u>3,594,517</u>
Net OPEB RHIA Asset	64,587	-	64,587
Capital assets being depreciated, net	<u>82,852</u>	<u>-</u>	<u>82,852</u>
Total assets	<u>3,719,617</u>	<u>22,339</u>	<u>3,741,956</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>3,239,397</u>	<u>-</u>	<u>3,239,397</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	6,964	-	6,964
Payroll liabilities	439,101	-	439,101
Compensated absences	<u>668,361</u>	<u>-</u>	<u>668,361</u>
Total current liabilities	<u>1,114,426</u>	<u>-</u>	<u>1,114,426</u>
Noncurrent liabilities			
Net pension liability - PERS	5,964,455	-	5,964,455
OPEB liability - medical benefit	<u>146,281</u>	<u>-</u>	<u>146,281</u>
Total liabilities	<u>7,225,162</u>	<u>-</u>	<u>7,225,162</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>568,774</u>	<u>-</u>	<u>568,774</u>
<b>NET POSITION</b>			
Investment in capital assets	82,852	-	82,852
Unrestricted	<u>(917,774)</u>	<u>22,339</u>	<u>(895,435)</u>
Total net position	<u>\$ (834,922)</u>	<u>\$ 22,339</u>	<u>\$ (812,583)</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, 2024

	General Fund	Western Lane Crisis Response Fund	Totals
<b>OPERATING REVENUES</b>			
Contract service revenue	\$ 9,960,996	\$ -	\$ 9,960,996
MH MCR Program	-	562,902	562,902
Refunds and reimbursements	43,456	-	43,456
Total operating revenues	10,004,452	562,902	10,567,354
<b>OPERATING EXPENSES</b>			
Personnel services	6,450,437	364,786	6,815,223
Materials and services	1,368,898	175,777	1,544,675
Depreciation	18,917	-	18,917
Total operating expenses	7,838,252	540,563	8,378,815
Operating income (loss)	2,166,200	22,339	2,188,539
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment income	67,823	-	67,823
Donations	5,053	-	5,053
Total nonoperating revenues (expenses)	72,876	-	72,876
Change in net position	2,239,076	22,339	2,261,415
Net position - beginning, as restated	(3,073,998)	-	(3,073,998)
Net position - ending	\$ (834,922)	\$ 22,339	\$ (812,583)

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, 2024

	General Fund	Western Lane Crisis Response Fund	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 10,442,599	\$ 562,902	\$ 11,005,501
Payments to employees	(6,190,676)	(364,786)	(6,555,462)
Payments to suppliers	<u>(1,363,088)</u>	<u>(308,379)</u>	<u>(1,671,467)</u>
Net cash provided (used) by operating activities	<u>2,888,835</u>	<u>(110,263)</u>	<u>2,778,572</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>			
Purchases of capital assets	<u>(33,138)</u>	<u>-</u>	<u>(33,138)</u>
Net cash provided (used) by noncapital financing activities	<u>(33,138)</u>	<u>-</u>	<u>(33,138)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income	67,823	-	67,823
Donations received	5,053	-	5,053
Increase (decrease) in book overdraft	<u>-</u>	<u>110,263</u>	<u>110,263</u>
Net cash provided (used) by noncapital financing activities	<u>72,876</u>	<u>110,263</u>	<u>183,139</u>
Net increase (decrease) in cash and cash equivalents	2,928,573	-	2,928,573
Cash and cash equivalents - beginning	<u>526,593</u>	<u>-</u>	<u>526,593</u>
Cash and cash equivalents (book overdraft) - ending	<u>\$ 3,455,166</u>	<u>\$ -</u>	<u>\$ 3,455,166</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ 2,166,200	\$ 22,339	\$ 2,188,539
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	18,917	-	18,917
Deferred outflows	(96,280)	-	(96,280)
OPEB RHIA asset	(18,530)	-	(18,530)
Net pension liability	1,733,922	-	1,733,922
Deferred inflows	(1,589,716)	-	(1,589,716)
OPEB Medical liability	22,175	-	22,175
Changes in assets and liabilities			
(Increase) decrease in:			
Receivables	438,147	(132,602)	305,545
Prepaid assets	24,246	-	24,246
Increase (decrease) in:			
Accounts payable	(18,436)	-	(18,436)
Payroll liabilities	36,421	-	36,421
Compensated absences	<u>171,769</u>	<u>-</u>	<u>171,769</u>
Net cash provided (used) by operating activities	<u>\$ 2,888,835</u>	<u>\$ (110,263)</u>	<u>\$ 2,778,572</u>

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, 2024

**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 Authority and Western Lane Ambulance Authority. 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 assign and train 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 Authorities 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 funds:

Enterprise Fund

*General Fund* – The General Fund is the primary operating fund of the Authority. It accounts for all general operating revenues and expenses for the operation of the Authority except those required to be accounted for in another fund.

*Western Lane Crisis Response Fund* – The Western Lane Crisis Response (WLCR) Fund accounts for revenues and expenses associated with the WLCR program. Primary revenues are mobile crisis response program charges.

**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.

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

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

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.

**D. Budgetary Information**

The Authority budgets all funds in accordance with the requirements of state law. Annual appropriated budgets are adopted for general, special revenue, capital projects, and enterprise funds. All funds are budgeted on the modified accrual basis of accounting. 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 the fund sets the level by which expenditures cannot legally exceed appropriations. The resolution establishes levels of control at the organizational unit (personnel services and materials and services), debt service, capital outlay, and operating contingencies.

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. 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 one supplemental budget.

**E. 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.

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

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

**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.

**3. 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.

**4. 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.

**5. 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, 2024

**6. 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.

**7. 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. Compensated Absences**

Amounts of vested or accumulated vacation and sick leave that are expected to be liquidated with expendable available financial resources are reported as expenditures when paid.

Amounts of vested or accumulated vacation and sick leave that are not expected to be liquidated with expendable available financial resources are reported as long-term liabilities on the statement of net position. Compensated absences of both Siuslaw Valley Fire & Rescue District and Western Lane Ambulance District were transferred to the Authority during the current fiscal year.

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**3. 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.

**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. Cash Deposits with Financial Institutions**

The Authority maintains a cash and cash equivalents pool that is available for use by the Authority. Investments, including amounts held in pooled cash and investments, are stated at fair value. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, investments with a remaining maturity of more than one year at the time of purchase are stated at fair value.

The Authority participates in an external investment pool (State of Oregon Local Government Investment Pool). The Pool is not registered with the U.S. Securities and Exchange Commission as an investment company. The State's investment policies are governed by the Oregon Revised Statutes (ORS) and the Oregon Investment Council (OIC). The State Treasurer is the investment officer for the OIC and is responsible for all funds in the State Treasury. These funds are invested exercising reasonable care, skill, and caution. Investments in the Pool are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board, which established diversification percentages and specifies the types and maturities of investments. The portion of the external investment pool which belongs to local government investment participants is reported in an Investment Trust Fund in the State's Annual Comprehensive Financial Report (ACFR). A copy of the State's ACFR may be obtained at the Oregon State Treasury, 350 Winter St. N.E., Salem, Oregon 97310-0840.

Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or price paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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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, 2024. Fair values of assets measured on a recurring basis at June 30, 2024 are as follows:

	Level 2
Investments:	
Oregon Local Government Investment Pool	\$ <u>2,619,699</u>

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 a formal policy regarding credit risk; however, investments comply with state statutes.

Investments

As of June 30, 2024, the Authority had the following investments:

	Credit Quality Rating	Maturities	Fair Value
Oregon Local Government Investment Pool	Unrated	-	\$ <u>2,619,699</u>

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.

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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. 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, 2024, the Authority had deposits of \$250,000 insured by the FDIC and \$512,567 collateralized by the PFCP.

Deposits

The Authority’s deposits and investments at June 30, 2024 are as follows:

Checking account	\$ 725,204
Investments	<u>2,619,699</u>
Total deposits and investments	<u><u>\$ 3,344,903</u></u>

Cash and investments by fund:

Governmental activities - unrestricted	
General Fund	\$ 3,455,166
Western Lane Crisis Response Fund (book overdraft)	<u>(110,263)</u>
Total deposits and investments	<u><u>\$ 3,344,903</u></u>

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**B. Capital Assets**

Capital asset activity for the year ended June 30, 2024 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	\$ 9,673	\$ -	\$ 40,115
Vehicles	56,913	-	-	56,913
Buildings and improvements	-	23,465	-	23,465
Total capital assets being depreciated	<u>87,355</u>	<u>33,138</u>	<u>-</u>	<u>120,493</u>
Less accumulated depreciation for				
Equipment	(7,103)	(6,975)	-	(14,078)
Vehicles	(11,621)	(11,383)	-	(23,004)
Buildings and improvements	-	(559)	-	(559)
Total accumulated depreciation	<u>(18,724)</u>	<u>(18,917)</u>	<u>-</u>	<u>(37,641)</u>
Total capital assets being depreciated, net	<u>\$ 68,631</u>	<u>\$ 14,221</u>	<u>\$ -</u>	<u>\$ 82,852</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	\$ 40,115	\$ (14,078)	\$ 26,037
Vehicles	56,913	(23,004)	33,909
Buildings and improvements	23,465	(559)	22,906
Total business-type capital assets	<u>\$ 120,493</u>	<u>\$ (37,641)</u>	<u>\$ 82,852</u>

Depreciation expense for the year ended June 30, 2024 amounted to \$18,917.

**C. Compensated Absences**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Business-type activities				
Compensated absences	<u>\$ 496,592</u>	<u>\$ 171,769</u>	<u>\$ -</u>	<u>\$ 668,361</u>

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**D. Deferred Outflows and Inflows of Resources**

The following is a summary of deferred outflows and inflows of resources as of June 30, 2024:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net OPEB RHIA asset	\$ 213	\$ (6,417)
Net pension liability - PERS	3,217,267	(467,802)
Net OPEB medical benefit liability	21,917	(94,555)
Total	\$ 3,239,397	\$ (568,774)

**III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Excess of Expenditures Over Appropriations**

During the year ended June 30, 2024, the Authority expended funds in excess of appropriations as follows:

Fund	Function	Appropriation	Expenditure	Excess
General	Personnel services	\$ 6,165,003	\$ 6,450,437	\$ 285,434
Western Lane Crisis Response	Personnel services	\$ 335,968	\$ 358,558	\$ 22,590
Western Lane Crisis Response	Materials and services	\$ 60,492	\$ 175,777	\$ 115,285
Western Lane Crisis Response	Capital outlay	\$ -	\$ 6,228	\$ 6,228

**IV. 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 (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, 2023, there were 945 participating employers.

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*Plan Membership*

As of June 30, 2023, there were 9,502 active plan members, 128,931 retired plan members or their beneficiaries currently receiving benefits, 7,566 inactive plan members entitled to but not yet receiving benefits, for a total of 145,999 Tier One members. For Tier Two members, as of June 30, 2023, there were 25,243 active plan members, 22,647 retired plan members or their beneficiaries currently receiving benefits, 12,835 inactive plan members entitled to but not yet receiving benefits, for a total of 60,725 Tier Two members. For Oregon Public Service Retirement Plan (OPSRP) Pension Program members, as of June 30, 2023, there were 153,991 active plan members, 11,959 retired plan members or their beneficiaries currently receiving benefits, 9,492 inactive plan members entitled to but not yet receiving benefits, and 23,207 inactive plan members not eligible for refund or retirements, for a total of 198,649 OPSRP Pension Program members.

*Plan Benefits*

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

**Tier One/Tier Two Retirement Benefit (Chapter 238)** - OPERS is a defined benefit pension plan that provides retirement and disability benefits, annual cost-of-living-adjustments, and death benefits to members and their beneficiaries. Benefits are established by state statute. This defined benefit pension plan is closed to new members hired on or after August 29, 2003.

*Pension Benefits*

The OPERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options that are actuarially equivalent to the base benefit. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results. A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. Police and Fire members may purchase increased benefits that are payable between the date of retirement and age 65.

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*Death Benefits*

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

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

*Disability Benefits*

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining monthly benefit.

*Benefit Changes after Retirement*

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

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General Service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit. A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

*Death Benefits*

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

*Disability Benefits*

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

*Benefit Changes After Retirement*

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

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

*Pension Benefits*

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP Individual Account Program (IAP), may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

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*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 Post-Employment Benefit Plans.

Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation, which became effective July 1, 2021. The State of Oregon and certain schools, community colleges, and political subdivisions have made unfunded actuarial liability payments, and their rates have been reduced. Member contributions are set by statute at six percent of salary and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the members' behalf. As permitted, the Authority has opted to pick-up the contributions on behalf of its employees. Employer contributions for the year ended June 30, 2024 were \$1,017,008.

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/ACFR/2023-ACFR.pdf>

Actuarial Valuations

The employer contribution rates effective June 30, 2023 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.

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Actuarial Methods and Assumptions:

Valuation Date	December 31, 2021
Measurement Date	June 30, 2023
Experience Study	2020, published July 20, 2021
<i>Actuarial Assumptions:</i>	
Actuarial Cost Method	Entry age normal
Inflation Rate	2.40 percent
Long-term Expected Rate of Return	6.90 percent
Discount Rate	6.90 percent
Projected Salary Increases	3.40 percent
Cost of living adjustment (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/.15%) in accordance with <i>Moro</i> decision; blend based on service.
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 2020 Experience Study, which reviewed experience for the four-year period ended December 31, 2020. There were no differences between the assumptions and plan provisions used for June 30, 2023 measurement date calculations compared to those shown above.

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*Actuarial Methods and Assumptions*

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

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Depletion Date Projection*

GASB 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for OPERS:

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.

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- 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 third-party actuary’s opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. For more information on the Plan’s portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS’ audited financial statements at:

<https://www.oregon.gov/pers/Documents/Financials/ACFR/2023-ACFR.pdf>

OIC Target and Actual Investment Allocation as of June 30, 2023

<u>Asset Class/Strategy</u>	<u>OIC Policy Low Range</u>	<u>OIC Policy High Range</u>	<u>OIC Target Allocation<sup>2</sup></u>	<u>Actual Allocation</u>
Debt Securities	20.0%	30.0%	25.0%	20.0%
Public Equity	22.5%	32.5%	27.5%	23.3%
Real Estate	9.0%	16.5%	12.5%	13.6%
Private Equity	17.5%	27.5%	20.0%	26.5%
Real Assets	2.5%	10.0%	7.5%	9.1%
Diversifying Strategies	2.5%	10.0%	7.5%	5.0%
Opportunity Portfolio <sup>1</sup>	0.0%	5.0%	0.0%	2.5%
Total			100.0%	100.0%

<sup>1</sup>Opportunity Portfolio is an investment strategy. Up to 5% of total Fund assets may be invested in it.

<sup>2</sup> The target allocation of Debt Securities is increased by 5% and Public Equity is reduced by 2.5% from FY2022, and the allocation to Risk Parity is eliminated.

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

At June 30, 2024, the Authority reported a liability of \$5,964,455 for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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, 2024, the Authority's proportion was 0.03184323%.

For the year ended June 30, 2024, the Authority recognized pension expense of \$1,318,055. At June 30, 2024, 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 expected and actual experience	\$ 291,680	\$ (23,650)
Changes of assumptions	529,847	(3,951)
Net difference between projected and actual earnings on investments	107,206	-
Changes in proportionate share	735,791	(142,948)
Differences between employer contributions and employer's proportionate share of system contributions	535,735	(297,253)
Total (prior to post-MD contributions)	2,200,259	(467,802)
Contributions subsequent to the MD	1,017,008	-
Totals	\$ 3,217,267	\$ (467,802)

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, 2023 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, 2023.

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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	\$ 325,802
2nd Fiscal Year	60,887
3rd Fiscal Year	823,421
4th Fiscal Year	419,223
5th Fiscal Year	103,124

*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%)
\$ 9,852,157	\$ 5,964,455	\$ 2,710,861

*Changes Subsequent to the Measurement Date*

We are not aware of any changes subsequent to the June 30, 2023 measurement date that meet this requirement and thus would require a brief description under GASB standard.

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

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

*General Information about the OPEB Plan*

The Oregon PERS RHIA consists of a single cost-sharing multiple-employer defined benefit OPEB plan for units of state government, political subdivisions, community colleges, and school districts, containing multiple actuarial pools.

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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, 2023, there were 812 participating employers.

*Plan Benefits – PERS RHIA (Chapter 238)*

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

*OPEB Membership*

RHIA was established by ORS 238.420 and authorizes a payment of up to \$60 from RHIA toward the monthly costs of health insurance. The Plan is closed to new members hired on or after August 29, 2003. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (C) enroll in a PERS-sponsored health plan.

As of June 30, 2023, the number of inactive RHIA plan participants currently receiving benefits totaled 40,703, and there were 34,508 active and 11,710 inactive members who meet the requirements to receive RHIA benefits when they retire.

Basis of Accounting

Contributions for employers are recognized on the accrual basis of accounting. Employer contributions to PERS are calculated based on creditable compensation for active members reported by employers. Employer contributions are accrued when due pursuant to legal requirements. These are amounts normally included in the employer statements cut off as of the fifth of the following month. The schedules of OPEB amounts by Employer does not reflect deferred outflows of resources related to contributions made by employers after the measurement date. Consistent with GASB Statement No. 75, paragraph 59(a), employer proportions are determined as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined.

Contributions

Employer contributions for the year ended June 30, 2024 were \$30.

OPEB RHIA Plan Annual Comprehensive Financial Report (ACFR)

All assumptions, methods, and plan provisions used in these calculations are described in the Oregon PERS RHIA Cost-Sharing Multiple-Employer OPEB Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the year ended June 30, 2023. That independently audited report was dated December 1, 2023, and can be found at:

<https://www.oregon.gov/pers/Documents/Financials/ACFR/2023-ACFR.pdf>

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Proportionate Share Allocation Methodology

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

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2021
Measurement Date	June 30, 2023
Experience Study	2020, published July 20, 2021
<i>Actuarial Assumptions:</i>	
Actuarial Cost Method	Entry age normal
Inflation Rate	2.40 percent
Long-term Expected Rate of Return	6.90 percent
Discount Rate	6.90 percent
Projected Salary Increases	3.40 percent
Retiree healthcare participation	Healthy retirees: 27.5%; disabled retirees: 15%
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 Employees, 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 Retirees, 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 projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are on the 2020 Experience Study, which reviewed experience for the four-year period ended December 31, 2020. There were no differences between the assumptions and plan provisions used for June 30, 2023 measurement date calculations compared to those shown above.

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Discount Rate

The discount rate used to measure the total OPEB liability at June 30, 2023 was 6.90. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA was applied to all periods of projected benefit payments to determine the total OPEB liability.

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-thinking capital market economic model. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS' audited financial statements at:

<https://www.oregon.gov/pers/Documents/Financials/ACFR/2023-ACFR.pdf>

*Depletion Date Projection*

GASB 75 generally requires that a blended discount rate be used to measure the Total OPEB Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses.

A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 75 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 75 (paragraph 82) does allow for alternative evaluations of projected solvency if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for OPEB Plan:

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.

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- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 75 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan’s funded position.

Based on these circumstances, it is our third-party actuary’s opinion that the detailed depletion date projections outlined in GASB 75 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

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

At June 30, 2024, the Authority reported an asset of \$64,587 for its proportionate share of the OPEB asset. The OPEB asset was measured at June 30, 2023, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of that date. The Authority’s proportion of the net OPEB asset was based on a projection of the Authority’s long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024 the Authority’s proportion was 0.01763880%. For the year ended June 30, 2024, the Authority recognized OPEB credit of \$10,676 At June 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (1,621)
Changes of assumptions	-	(696)
Net differences between projected and actual earnings on investments	183	-
Changes in proportionate share	-	(4,100)
Total (prior to post-MD contributions)	183	(6,417)
Contributions subsequent to the MD	30	-
Total	\$ 213	\$ (6,417)

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.

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Employers are required to recognize OPEB expense based on the balance of the closed period “layers” attributable to each measurement period. The average remaining service life determined as of the beginning of the June 30, 2023 measurement period is 2.3 years.

Amounts reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB asset in the year ended June 30, 2024.

Other amounts reported by the Authority as deferred outflows or inflows of resources related to OPEB will be recognized in OPEB expense in subsequent years as follows:

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
1st Fiscal Year	\$ (6,124)
2nd Fiscal Year	(3,354)
3rd Fiscal Year	2,387
4th Fiscal Year	856
5th Fiscal Year	-

*Sensitivity of the Authority’s Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate*

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

1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
\$ (58,710)	\$ (64,587)	\$ (69,630)

*Changes Subsequent to the Measurement Date*

We are not aware of any changes subsequent to the June 30, 2023 measurement date that meet the requirement requiring a brief description under the GASB standard.

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NOTES TO BASIC FINANCIAL STATEMENTS

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**D. Other Post-Employment Benefit (OPEB) Authority Medical Benefit Plan (the Plan)**

*General Information about the OPEB Plan*

Name of OPEB Plan

The Authority Medical Benefit Plan consists of a single-employer retiree benefit plan that provides post-employment health, dental, vision, and life insurance benefits to eligible employees and their dependents.

Description of Benefit Terms

*Plan Benefits – Implicit Medical Benefit*

Plan benefits are established by legislature pursuant to Oregon Revised Statute (ORS) Chapter 243. ORS stipulated that for the purpose of establishing health care premiums, the rate must be based on all plan members, including both active employees and retirees. The difference between retiree claims costs, which because of the effect of age is generally higher in comparison to all plan members, and the amount of retiree healthcare premiums represents the Authority's implicit employer contributions. The calculated OPEB liability is derived using the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members at that point. Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations of the OPEB plan reflect a long-term perspective.

*Medical Benefit Membership and Eligibility*

Benefits and eligibility for members are established through the collective bargaining agreements. All classes of employee are eligible to continue coverage upon retirement. Qualified spouses, domestic partners, and children may qualify for coverage.

*Medical Benefit Duration and Amount*

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

*Participant Statistics*

As of July 1, 2023, there were 34 active members and 0 retired participants in the Medical Benefit plan. The average age of participants is 43. The Authority did not establish an irrevocable trust (or equivalent arrangement) to account for this plan.

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Funding Policy

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

Actuarial Methods and Assumptions:

The Authority engaged an actuary to perform an evaluation as of July 1, 2023 using age entry normal, level percent of salary Actuarial Cost Method. The Single Employer Pension Plan liability was determined using the following actuarial assumptions, applied to all periods including the measurement:

Valuation Date	July 1, 2023
Measurement Dates/Fiscal Year Ends	June 30, 2022 through June 30, 2024
<i>Actuarial Assumptions:</i>	
Actuarial Cost Method	Entry age normal
Interest Discount	3.65 percent discount rate assumption
General Inflation	2.40 percent per year
Salary Scale	3.40 percent per year

Election and lapse rates: 30% of eligible employees – 60% of male members and 35% of female members will elect spouse coverage; 5% annual lapse rate. Expected healthcare costs were developed using a composite of the premiums due for retirees members electing coverage as of July 1, 2023. Milliman’s Health Cost Guidelines were used to allocate costs by age and gender. Retirees’ costs include a load for expected health status of retirees relative to active employees and spouses.

For the period July 1, 2023 through June 30, 2024, current medical premiums due for retirees and their spouses were modeled using an average monthly premium of \$814 per retiree per month, and \$899 per spouse per month. Dental and vision premiums were modeled using average monthly premiums of \$57 per retiree and \$56 per spouse.

Mortality rates were based on the RP-2014 Employee and Healthy Annuitant Table for males and females, as appropriate. Turnover rates were based on percentages developed for the valuation of benefits under Oregon PERS and vary by years of service. Disability rates were based on percentages developed for the valuation of benefits under Oregon PERS and vary by employee age. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

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NOTES TO BASIC FINANCIAL STATEMENTS

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*Changes in Medical Benefit OPEB Liability*

Total OPEB Liability at June 30, 2023	\$	124,106
Changes for the year:		
Service cost		18,097
Interest		6,097
Economic/demographic (gains) or losses		4,048
Change in assumptions		(271)
Benefit payments		(5,796)
		22,175
Net changes		22,175
Total OPEB Liability at June 30, 2024	\$	146,281

At June 30, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Expected and actual experience difference	\$ -	\$ (70,452)
Changes in assumptions	19,811	(24,103)
Benefit payments	2,106	-
Total	\$ 21,917	\$ (94,555)

Amounts reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB 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	\$ (8,070)
2nd Fiscal Year	\$ (8,072)
3rd Fiscal Year	\$ (7,956)
4th Fiscal Year	\$ (7,955)
5th Fiscal Year	\$ (7,616)
Thereafter	\$ (35,075)

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June 30, 2024

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

The following presents the net OPEB liability, calculated using the discount rate of 3.54%, as well as what the liability would be if it was calculated using a discount rate 1-percentage-point lower or 1-percentage-point higher than the current rate:

June 30 Disclosure	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (3.65%)
Total OPEB Liability	\$ 161,983	\$ 146,281	\$ 132,159

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

June 30 Disclosure	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$ 124,453	\$ 146,281	\$ 173,199

**E. New Pronouncements**

For the fiscal year ended June 30, 2024, the Authority implemented the following new accounting standards:

GASB Statement No. 100, Accounting Changes and Error Corrections. This statement was issued in June 2022 to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

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. 102, Certain Risk Disclosures. This statement will improve reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. This statement is effective for fiscal years beginning after June 15, 2024.

**WESTERN LANE FIRE & EMS AUTHORITY**  
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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

**F. Restatement**

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

		Business-type Activites
		General Fund
Government-wide, GAAP, and Budget basis		
Net position - beginning, as originally reported	\$	736,875
To add prior year GASB 68 and GASB 75 balances related to transfer from Western Lane Ambulance District and Siuslaw Valley Fire & Rescue District:		
Net pension liability - WLAD		(2,362,381)
Net pension liability - SVF&RD		(1,052,826)
OPEB medical benefit liability - WLAD		(124,106)
OPEB RHIA asset - WLAD		46,057
Deferred outflows of resources - WLAD		1,124,171
Deferred outflows of resources - SVF&RD		522,429
Deferred inflows of resources - WLAD		(1,032,644)
Deferred inflows of resources - SVF&RD		(931,573)
Net position - beginning, as restated	\$	(3,073,998)

**G. 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."

**WESTERN LANE FIRE & EMS AUTHORITY**  
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June 30, 2024

The Authority employs the Fire & EMS Chief, Operations Chief, Chief Training Officer, 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 \$3,747,778 and \$6,181,973, respectively, for the fiscal year ending June 30, 2024.

**H. Tax Deferred Annuity Contract**

The Authority provides a tax-deferred annuity contract, established under Internal Revenue Code Section 457. Participation in the program is voluntary and there is no vesting. Contributions are made from salary deductions from participating employees within the limits specified in the code. The Authority does not make any contributions to these plans and there were no forfeitures.

**I. Subsequent Events**

Management has evaluated subsequent events through November 21, 2024, 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 AUTHORITY CONTRIBUTIONS

OREGON PERS SYSTEM

**Schedule of the Proportionate Share of the Net Pension Liability**

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share net pension liability (NPL)	(c) Employer's covered payroll	(b/c) NPL as a % of covered payroll	Plan fiduciary net position as a % of the total pension liability
2022	0.00000000%	\$ -	\$ -	0%	87.60%
2023	0.00532669%	\$ 815,623	\$ 502,792	162%	84.60%
2024	0.03184323%	\$ 5,964,455	\$ 3,173,159	188%	81.70%

**Schedule of Contributions**

Year Ended June 30,	Contractually required contribution	Contributions in relation to the contractually required contribution liability (NPL)	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a % of covered payroll
2022	\$ 164,001	\$ (164,001)	\$ -	\$ 725,934	23%
2023	\$ 791,133	\$ (791,133)	\$ -	\$ 3,059,111	26%
2024	\$ 1,017,008	\$ (1,017,008)	\$ -	\$ 3,537,278	29%

**WESTERN LANE FIRE & EMS AUTHORITY**  
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SCHEDULES OF THE DISTRICT'S PROPORTIONATE SHARE OF THE  
OPEB LIABILITY (ASSET) AND DISTRICT CONTRIBUTIONS

OREGON PERS SYSTEM RHIA

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

Year Ended June 30,	(a) Employer's proportion of the net OPEB RHIA liability (asset)	(b) Employer's proportionate share net OPEB RHIA liability (asset)	(c) Employer's covered payroll	(b/c) NPL as a % of covered payroll	Plan fiduciary net position as a % of the total OPEB RHIA liability (asset)
2024	0.01763880%	\$ (64,587)	\$ 3,173,159	-2%	201.60%

**Schedule of Contributions**

Year Ended June 30,	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a \$ of covered payroll
2024	\$ 30	\$ (30)	\$ -	\$ 3,537,278	0.00%

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

**DISTRICT MEDICAL BENEFIT PLAN**

**Schedule of the Proportionate Share of the Net Pension Liability**

Year Ended June 30,	(a) Total Beginning Medical Benefit	(b) Service Cost	(c) Interest	(d) Effect of Economic and Demographic Gains or Losses	€ Change in Assumptions
2024	\$ 124,106	\$ 18,097	\$ 6,097	\$ 4,048	\$ (271)

**Schedule of Contributions**

Year Ended June 30,	(f) Benefit Payments	(g) Total Ending Medical Benefit	(h) Employer's covered payroll	(i) Medical Benefit as a % of covered payroll
2024	\$ (5,796)	\$ 146,281	\$ 3,537,278	4%

**WESTERN LANE FIRE & EMS AUTHORITY**  
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SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION -  
BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended June 30, 2024

	Original Budget	Final Budget	Variance with Final Budget Over (Under)	Actual		GAAP Basis
				Budget Basis	Adjustments	
<b>OPERATING REVENUES</b>						
Contract service revenue	\$ 9,991,686	\$ 9,991,686	\$ (30,690)	\$ 9,960,996	\$ -	\$ 9,960,996
Refunds and reimbursements	-	-	43,456	43,456	-	43,456
Donations	-	-	5,053	5,053	-	5,053
Investment earnings	-	-	67,823	67,823	-	67,823
	<u>9,991,686</u>	<u>9,991,686</u>	<u>85,642</u>	<u>10,077,328</u>	<u>-</u>	<u>10,077,328</u>
<b>EXPENSES</b>						
Current						
Personnel services	6,165,003	6,165,003	285,434	6,450,437	-	6,450,437
Materials and services	1,489,593	1,549,593	(161,778)	1,387,815	(18,917)	1,368,898
Capital outlay	-	-	-	-	-	-
Depreciation	-	-	-	-	18,917	18,917
	<u>7,654,596</u>	<u>7,714,596</u>	<u>123,656</u>	<u>7,838,252</u>	<u>-</u>	<u>7,838,252</u>
Excess (deficiency) of revenues over (under) expenses	2,337,090	2,277,090	(38,014)	2,239,076	-	2,239,076
Net position - beginning	<u>-</u>	<u>-</u>	<u>(3,073,998)</u>	<u>(3,073,998)</u>	<u>-</u>	<u>(3,073,998)</u>
Net position - ending	<u>\$ 2,337,090</u>	<u>\$ 2,277,090</u>	<u>\$ (3,112,012)</u>	<u>\$ (834,922)</u>	<u>\$ -</u>	<u>\$ (834,922)</u>

**WESTERN LANE FIRE & EMS AUTHORITY**  
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SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -  
 BUDGET AND ACTUAL

WESTERN LANE CRISIS RESPONSE FUND

For the Year Ended June 30, 2024

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual		GAAP Basis
			Budget Basis	Adjustments	
<b>REVENUES</b>					
Grants proceeds	\$ 386,460	\$ 176,442	\$ 562,902	\$ -	\$ 562,902
Miscellaneous	-	-	-	-	-
Total revenues	<u>386,460</u>	<u>176,442</u>	<u>562,902</u>	<u>-</u>	<u>562,902</u>
<b>EXPENSES</b>					
Current					
Personnel services	335,968	22,590	358,558	-	358,558
Materials and services	60,492	115,285	175,777	-	175,777
Capital outlay	-	6,228	6,228	-	6,228
Total expenses	<u>396,460</u>	<u>144,103</u>	<u>540,563</u>	<u>-</u>	<u>540,563</u>
Excess (deficiency) of revenues over (under) expenses	(10,000)	32,339	22,339	-	22,339
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	<u>10,000</u>	<u>(10,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	-	22,339	22,339	-	22,339
Net position - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position - ending	<u>\$ -</u>	<u>\$ 22,339</u>	<u>\$ 22,339</u>	<u>\$ -</u>	<u>\$ 22,339</u>

**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, 2024 and have issued our report thereon dated November 21, 2024. 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, except as follows:

**A. Excess of Expenditures Over Appropriations**

During the year ended June 30, 2024, the Authority expended funds in excess of appropriations as follows:

<u>Fund</u>	<u>Function</u>	<u>Appropriation</u>	<u>Expenditure</u>	<u>Excess</u>
General	Personnel services	\$ 6,165,003	\$ 6,450,437	\$ 285,434
Western Lane Crisis Response	Personnel services	\$ 335,968	\$ 358,558	\$ 22,590
Western Lane Crisis Response	Materials and services	\$ 60,492	\$ 175,777	\$ 115,285
Western Lane Crisis Response	Capital outlay	\$ -	\$ 6,228	\$ 6,228

**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 November 21, 2024.

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.



Accuity, LLC  
November 21, 2024