

We noted matters involving the internal control structure and its operation that we consider to be significant deficiencies under standards established by the American Institute of Certified Public Accountants, which are noted in our management letter dated October 25, 2023.

This report is intended solely for the information and use of the Board of Directors and management and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

A handwritten signature in black ink that reads "Tara M. Kamp, CPA". The signature is written in a cursive style.

Tara M. Kamp, CPA
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October 25, 2023

Independent Auditor's Report Required by Oregon State Regulations

We have audited the basic financial statements of the Clatskanie Rural Fire Protection District as of and for the year ended June 30, 2023, and have issued our report thereon dated October 25, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 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 statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- **Deposit of public funds with financial institutions (ORS Chapter 295)**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **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 Clatskanie Rural Fire Protection District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except for the following:

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the internal controls over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal controls over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal controls over financial reporting, except for the following:

1. During our review of the 2023-24 budget process, we noted that the budget resolution did not match the detailed budget and as a result the resources did not equal requirements.

**CLATSKANIE RURAL FIRE PROTECTION DISTRICT
COLUMBIA COUNTY, OREGON**

**AUDITOR'S COMMENTS AND DISCLOSURES
REQUIRED BY STATE REGULATIONS**

CLATSKANIE RURAL FIRE PROTECTION DISTRICT

COLUMBIA COUNTY, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
 ACTUAL AND BUDGET - CASH BASIS
 For the Year Ended June 30, 2023

LENGTH OF SERVICE RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
RECEIPTS:				
Earnings on Investments	\$ 600	\$ 600	\$ 2,558	\$ 1,958
Miscellaneous Income	700	700	849	149
Total Receipts	<u>1,300</u>	<u>1,300</u>	<u>3,407</u>	<u>2,107</u>
DISBURSEMENTS:				
Personnel Services	<u>116,538</u>	<u>116,538</u> (1)	<u>8,520</u>	<u>108,018</u>
Total Disbursements	<u>116,538</u>	<u>116,538</u>	<u>8,520</u>	<u>108,018</u>
Excess of Receipts Over, (Under) Disbursements	(115,238)	(115,238)	(5,113)	110,125
Net Change in Fund Balance	(115,238)	(115,238)	(5,113)	110,125
Beginning Fund Balance	<u>115,238</u>	<u>115,238</u>	<u>115,383</u>	<u>145</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 110,270</u>	<u>\$ 110,270</u>

(1) Appropriation Level

Note: This fund's activities have been combined with the General Fund activities in accordance with GASB #54 due to its financing resources being derived primarily from General Fund transfers.

CLATSKANIE RURAL FIRE PROTECTION DISTRICT

COLUMBIA COUNTY, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
 ACTUAL AND BUDGET - CASH BASIS
 For the Year Ended June 30, 2023

SICK LEAVE/UNEMPLOYMENT RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
RECEIPTS:				
Earnings on Investments	\$ 300	\$ 300	\$ 1,979	\$ 1,679
Total Receipts	300	300	1,979	1,679
DISBURSEMENTS:				
Personnel Services	84,860	84,860 (1)	-	84,860
Total Disbursements	84,860	84,860	-	84,860
Excess of Receipts Over, (Under) Disbursements	(84,560)	(84,560)	1,979	86,539
Net Change in Fund Balance	(84,560)	(84,560)	1,979	86,539
Beginning Fund Balance	84,560	84,560	84,582	22
Ending Fund Balance	\$ -	\$ -	\$ 86,561	\$ 86,561

(1) Appropriation Level

Note:

This fund's activities have been combined with the General Fund activities in accordance with GASB #54 due to its financing resources being derived primarily from General Fund transfers.

CLATSKANIE RURAL FIRE PROTECTION DISTRICT

COLUMBIA COUNTY, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
 ACTUAL AND BUDGET - CASH BASIS
 For the Year Ended June 30, 2023

FACILITIES IMPROVEMENT RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
RECEIPTS:				
Earnings on Investments	\$ -	\$ -	\$ 4,199	\$ 4,199
Total Receipts	-	-	4,199	4,199
DISBURSEMENTS:				
Capital Outlay	361,769	361,769 (1)	-	(361,769)
Total Disbursements	361,769	361,769	-	361,769
Excess of Receipts Over, (Under) Disbursements	(361,769)	(361,769)	4,199	365,968
Other Financing Sources, (Uses):				
Transfers In	361,769	361,769	361,769	-
Total Other Financing Sources, (Uses)	361,769	361,769	361,769	-
Net Change in Fund Balance	-	-	365,968	365,968
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	\$ -	\$ -	\$ 365,968	\$ 365,968

(1) Appropriation Level

CLATSKANIE RURAL FIRE PROTECTION DISTRICT

COLUMBIA COUNTY, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - CASH BASIS
For the Year Ended June 30, 2023

	<u>FIRE EQUIPMENT RESERVE FUND</u>			
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
RECEIPTS:				
Grant Receipts	\$ 5,000	\$ 5,000	4,920	\$ (80)
Earnings on Investments	1,700	1,700	13,594	11,894
Total Receipts	<u>6,700</u>	<u>6,700</u>	<u>18,514</u>	<u>11,814</u>
DISBURSEMENTS:				
Capital Outlay	684,621	684,621 (1)	-	684,621
Total Disbursements	<u>684,621</u>	<u>684,621</u>	<u>-</u>	<u>684,621</u>
Excess of Receipts over, under Disbursements	(677,921)	(677,921)	18,514	696,435
Other Financing Sources, (Uses):				
Transfers In	112,500	112,500	22,500	90,000
Total Other Financing Sources, (Uses)	<u>112,500</u>	<u>112,500</u>	<u>22,500</u>	<u>90,000</u>
Net Change in Fund Balance	(565,421)	(565,421)	41,014	606,435
Beginning Fund Balance	<u>565,421</u>	<u>565,421</u>	<u>566,457</u>	<u>1,036</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 607,471</u>	<u>\$ 607,471</u>

CLATSKANIE RURAL FIRE PROTECTION DISTRICT

COLUMBIA COUNTY, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - CASH BASIS

For the Year Ended June 30, 2023

<u>EMS EQUIPMENT RESERVE FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
RECEIPTS:				
Earnings on Investments	\$ 1,200	\$ 1,200	\$ 8,057	\$ 6,857
Total Receipts	<u>1,200</u>	<u>1,200</u>	<u>8,057</u>	<u>6,857</u>
DISBURSEMENTS:				
Capital Outlay	<u>486,500</u>	<u>486,500</u> (1)	<u>270,337</u>	<u>216,163</u>
Total Disbursements	<u>486,500</u>	<u>486,500</u>	<u>270,337</u>	<u>216,163</u>
Excess of Receipts Over, (Under) Disbursements	(485,300)	(485,300)	(262,280)	223,020
Other Financing Sources, (Uses):				
Transfers In	<u>90,000</u>	<u>90,000</u>	<u>90,000</u>	<u>-</u>
Total Other Financing Sources, (Uses)	<u>90,000</u>	<u>90,000</u>	<u>90,000</u>	<u>-</u>
Net Change in Fund Balance	(395,300)	(395,300)	(172,280)	223,020
Beginning Fund Balance	<u>395,300</u>	<u>395,300</u>	<u>395,721</u>	<u>421</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 223,441</u>	<u>\$ 223,441</u>

(1) Appropriation Level

CLATSKANIE RURAL FIRE PROTECTION DISTRICT

COLUMBIA COUNTY, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - CASH BASIS
For the Year Ended June 30, 2023

	<u>AMBULANCE FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
RECEIPTS:				
Customer Fees	\$ 290,000	\$ 290,000	\$ 388,466	\$ 98,466
Earnings on Investments	500	500	4,495	3,995
Miscellaneous Income	7,500	7,500	7,280	(220)
Total Receipts	<u>298,000</u>	<u>298,000</u>	<u>400,241</u>	<u>102,241</u>
DISBURSEMENTS:				
Materials and Services	220,000	220,000 (1)	147,440	72,560
Contingency	13,000	13,000 (1)	-	13,000
Total Disbursements	<u>233,000</u>	<u>233,000</u>	<u>147,440</u>	<u>85,560</u>
Excess of Receipts Over, (Under) Disbursements	65,000	65,000	252,801	187,801
Other Financing Sources, (Uses):				
Transfers Out	<u>(115,000)</u>	<u>(115,000) (1)</u>	<u>(115,000)</u>	<u>-</u>
Total Other Financing Sources, (Uses)	<u>(115,000)</u>	<u>(115,000)</u>	<u>(115,000)</u>	<u>-</u>
Net Change in Fund Balance	(50,000)	(50,000)	137,801	187,801
Beginning Fund Balance	<u>50,000</u>	<u>50,000</u>	<u>91,469</u>	<u>41,469</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 229,270</u>	<u>\$ 229,270</u>

(1) Appropriation Level

CLATSKANIE RURAL FIRE PROTECTION DISTRICT

COLUMBIA COUNTY, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - CASH BASIS
For the Year Ended June 30, 2023

<u>GENERAL FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
RECEIPTS:				
Taxes	\$ 2,740,327	\$ 2,740,327	\$ 2,828,450	\$ 88,123
Earnings on Investments	4,000	4,000	29,565	25,565
Grants	60,000	60,000	88,788	28,788
Strategic Investment Plan	283,000	283,000	270,249	(12,751)
Contract Fees	245,000	245,000	397,066	152,066
Miscellaneous Income	15,000	15,000	42,048	27,048
Total Receipts	3,347,327	3,347,327	3,656,166	308,839
DISBURSEMENTS:				
Fire Department	3,913,817	3,913,817 (1)	3,322,979	590,838
Contingency	189,241	189,241 (1)	-	378,482
Total Disbursements	4,103,058	4,103,058	3,322,979	780,079
Excess of Receipts Over, (Under) Disbursements	(755,731)	(755,731)	333,187	1,088,918
Other Financing Sources, (Uses):				
Transfers In	100,000	115,000	115,000	-
Transfers Out	(474,269)	(474,269) (1)	(474,269)	-
Total Other Financing Sources, (Uses)	(374,269)	(359,269)	(359,269)	-
Net Change in Fund Balance	(1,130,000)	(1,115,000)	(26,082)	1,088,918
Beginning Fund Balance	1,200,000	1,200,000	852,264	(347,736)
Ending Fund Balance	\$ 70,000	\$ 85,000	\$ 826,182	\$ 741,182

(1) Appropriation Level

Reconciliation to Governmental Fund Balance as required by GASB #54:

Ending Fund Balance:

Length of Service Fund

110,270

Sick Leave/Unemployment Fund

86,561

\$ 1,023,013

CLATSKANIE RURAL FIRE PROTECTION DISTRICT
COLUMBIA COUNTY, OREGON

SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2023

SCHEDULE OF CHANGES IN THE TOTAL OPEB - RHIA LIABILITY

Year Ended June 30,	Service Cost	Difference Between Expected and Actual Experience	Changes in Assumptions	Difference Between Projected and Actual Investment Earnings	Employer Actual Contributions	Changes in Employer Proportion	Employer Total Expense
2023	\$ 21,007	\$ 576	\$ 709	\$ 1,622	\$ 189	\$ -	24,103
2022	20,811	660	353	5,635	148	21	27,628
2021	21,094	1,883	979	-	185	263	24,404
2020	24,721	2,663	21	1,247	646	593	29,891
2019	13,934	608	34	2,312	5,180	256	22,324
2018	5,332	-	-	1,645	4,562	136	11,675

SCHEDULE OF TOTAL OPEB LIABILITY AND RELATED RATIOS

Year Ended June 30,	Total OPEB Liability Beginning (Asset)	Net Change in Total OPEB Liability (Asset)	Total OPEB Liability (Asset) Ending	Covered Payroll	Total OPEB Liability as a Percentage of Covered Payroll	Discount Rate
2023	\$ (23,712)	\$ 2,443	\$ (21,269)	\$ 1,854,741	0.0115 %	6.90 %
2022	(18,422)	(5,290)	(23,712)	1,449,381	0.0164	6.90
2021	(20,197)	1,775	(18,422)	1,494,625	0.0123	7.20
2020	(10,724)	(9,473)	(20,197)	1,330,391	0.0152	7.20
2019	(3,551)	(7,173)	(10,724)	1,326,826	0.0081	7.20
2018	2,498	(6,049)	(3,551)	1,040,984	0.0034	7.50

The amounts presented for each fiscal year were actuarial determined at 12/31 and rolled forward to the measurement date.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

CLATSKANIE RURAL FIRE PROTECTION DISTRICT
COLUMBIA COUNTY, OREGON

SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2023

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 of the net pension liability (NPL)	(c) CRFPD's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	0.01 %	\$ 2,215,367	\$ 1,449,381	152.8 %	84.5 %
2022	0.01	1,944,919	1,494,625	130.1	87.6
2021	0.01	3,113,203	1,330,391	234.0	75.8
2020	0.01	2,250,175	1,326,826	169.6	80.2
2019	0.01	1,753,916	1,040,984	168.5	82.1
2018	0.01	1,428,726	884,568	161.5	83.1
2017	0.01	1,783,742	979,205	182.2	80.5
2016	0.01	448,956	914,330	49.1	91.2
2015	0.01	(128,010)	789,557	(16.2)	103.6
2014	0.01	288,195	553,648	52.1	92.0

The amounts presented for each fiscal year were actuarial determined at 12/31 and rolled forward to the measurement date.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

SCHEDULE OF CONTRIBUTIONS

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2023	\$ 410,509	\$ 410,509	-	\$ 1,854,741	22.1 %
2022	333,582	333,582	-	1,449,381	23.0
2021	329,156	329,156	-	1,494,625	22.0
2020	296,315	296,315	-	1,330,391	22.3
2019	233,624	233,624	-	1,326,826	17.6
2018	205,452	205,452	-	1,040,984	19.7
2017	150,684	150,684	-	884,568	17.0
2016	131,811	131,811	-	979,205	13.5
2015	128,651	128,651	-	914,330	14.1
2014	101,675	101,675	-	789,557	12.9

The amounts presented for each fiscal year were actuarial determined at 12/31 and rolled forward to the measurement date.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

CLATSKANIE RURAL FIRE PROTECTION DISTRICT
COLUMBIA COUNTY, OREGON

SUPPLEMENTARY INFORMATION

**CLATSKANIE RURAL FIRE PROTECTION DISTRICT
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

10. VOLUNTEER LENGTH OF SERVICE AWARD PROGRAM

On June 13, 2001, the District adopted a length of service award program for volunteers. This plan is a defined contribution plan under which the District has no obligation to make contributions with respect to the plan. The plan assets are held in a fiduciary capacity District by the Oregon Fire District Directors Association and are subject to the claims of creditors of the District until distributed to the volunteers. Therefore, the plan assets are reported by the District in a Fiduciary Fund.

The District may authorize and make contributions to the plan for each volunteer based on a point system as described in the Schedule B attachment to the Plan Document. Volunteers are eligible to take plan distributions on the earlier of the date the volunteer becomes totally disabled, reaches age 55 or separates from volunteer service to the District.

Vesting occurs after 5 years of service.

The District's contributions to the Plan for the years ending June 30, 2023, 2022, and 2021 were \$11,657, \$882, and \$20,000 respectively.

11. TAX ABATEMENTS

As of June 30, 2023, Columbia County provides tax abatements through one program: Strategic Investment Program.

Strategic Investment Program (ORS 285C.600)

- The Oregon Strategic Investment program is a State of Oregon economic development program established, that allows for property tax exemptions for up to fifteen years. In exchange for receiving property tax exemption, participating firms are required to meet the program requirements set by state statute and the local sponsor.

For the fiscal year ended June 30, 2023, Clatskanie Rural Fire Protection District had abated property taxes totaling \$750,314 under these programs.

<u>Tax Abatement Program</u>	<u>Amount of Taxes Abated during the Fiscal Year</u>
Strategic Investment Program (ORS 285C.600)	<u>\$750,314</u>
	<u>\$ 750,314</u>

**CLATSKANIE RURAL FIRE PROTECTION DISTRICT
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

6. PROPERTY TAX LIMITATIONS

The State of Oregon imposes a constitutional limit on property taxes for schools and nonschool government operations. School operations include community colleges, local school districts, and education service districts. on bonded debt. The State further reduced property taxes by replacing the previous constitutional limits on tax bases. The limitation provides that property taxes for nonschool operations are limited to \$10.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation with a rate and value limit in 1997. This reduction is accomplished by rolling property values back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The State Constitution sets restrictive voter approval requirements for most tax and many fee increases and new bond issues, and requires the State to minimize the impact to school districts from the impact of the tax cuts.

7. RISK MANAGEMENT

The Fire District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The Fire District purchases commercial insurance to minimize its exposure to these risks. Settled claims have not exceeded this commercial coverage for any of the past three years.

8. INTERFUND TRANSFERS

Interfund Transfers were done to finance operations between funds.

	<u>Transfers Out</u>	<u>Transfers In</u>
General Fund	\$ 474,269	\$ 115,000
Ambulance Fund	115,000	-
EMS Equipment Reserve Fund	-	90,000
Facilities Improvement Reserve Fund	-	361,769
Fire Equipment Reserve Fund	-	22,500
	<u>\$ 589,269</u>	<u>\$ 589,269</u>
Total	<u>\$ 589,269</u>	<u>\$ 589,269</u>

9. VOLUNTEER YEARS OF SERVICE AWARD PROGRAM

On January 1, 1990, the District established a whole-life insurance policy program for qualifying volunteers. This program is administered by the District through John Hancock Insurance and is a non-qualified defined benefit plan. The plan provides for a monthly benefit beginning at age 65, equal to \$10 per month for every year of service, not to exceed \$250 per month. The Plan states that no participant shall, at any time, have any vested rights or interest in this plan, or in any benefits or payments payable under the Plan. The Plan may be discontinued, modified or reduced at any time, prior to or after the death or separation from service of any participant or beneficiary. Effective June, 2001, the District is no longer allowing any new volunteers to participate in this program. The District paid \$8,520 in benefits for this program during the fiscal year ending June 30, 2023.

CLATSKANIE RURAL FIRE PROTECTION DISTRICT
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. OTHER POSTEMPLOYMENT BENEFIT PLAN - (RHIA)

Plan Description:

As a member of Oregon Public Employees Retirement System (OPERS) the District contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

Funding Policy:

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 dollars or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 dollars shall be paid by the eligible retired member in the manner provided in ORS 238.410. 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 OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating districts are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the District currently contributes 0.06% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2023. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates 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. The basis for the employer's portion 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. The District's contributions to RHIA for the years ended June 30, 2021, 2022 and 2023 were \$185, \$148 and \$189, respectively, which equaled the required contributions each year.

Since the District's financial statements are presented on the cash basis of accounting, no RHIA related amounts are reported on the Statement of Net Position.

CLATSKANIE RURAL FIRE PROTECTION DISTRICT
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

3. PENSION PLAN (CONTINUED)

Pension Benefits:

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. 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 IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death Benefits:

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

Contributions:

Employees of the District pay six (6) percent of their covered payroll. Effective July 1, 2020, currently employed Tier 1/Tier 2 and OPSRP members earning \$2,500 or more per month (increased to \$3,333 per month in 2022) will have a portion of their 6 percent monthly IAP contributions redirected to an Employee Pension Stability Account. The Employee Pension Stability Account will be used to pay part of the member's future benefit. Of the 6 percent monthly IAP contribution, Tier 1/Tier 2 will have 2.5 percent redirected to the Employee Pension Stability Account and OPSRP will have 0.75 percent redirected to the Employee Pension Stability Account, with the remaining going to the member's existing IAP account. Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full 6 percent contribution to the IAP. The District did not make any optional contributions to member IAP accounts for the year ended June 30, 2023.

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

<http://www.oregon.gov/pers/EMP/Pages/GASB.aspx>

4. OTHER POSTEMPLOYMENT BENEFITS

Plan Description:

The IAFF Local Health Trust Retiree Program is a cost-sharing multiple-employer post-employment benefit plan that provides health insurance to eligible retirees of employers who participate in the Trust (an OPEB plan). As of the most recent valuation date (June 30, 2018), the Trust has six participating employers, Tualatin Valley Fire and Rescue, Molalla Rural Fire Protection, Clatskanie Rural Fire Protection, Woodburn Fire District, Canby Fire District, and District of Newberg Police Department. This plan has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

The program allows eligible retirees and their dependents to purchase continuation coverage under the Trust's health insurance plans from the date of retirement until eligibility for Medicare. Clatskanie Rural Fire Protection is required by ORS 243.303 to provide retirees with group health insurance from the date of retirement to age 65 at the same rate provided to current employees.

**CLATSKANIE RURAL FIRE PROTECTION DISTRICT
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

3. PENSION PLAN (CONTINUED)

Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate – The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percent lower (5.90 percent) or one percent higher (7.90 percent) than the current rate.

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Proportionate share of the net pension liability	\$ 3,928,762	\$ 2,215,367	\$ 781,335

Changes Subsequent to the Measurement Date

As described above, GASB 67 and GASB 68 require the Total Pension Liability to be determined based on the benefit terms in effect at the Measurement Date. Any changes to benefit terms that occurs after that date are reflected in amounts reported for the subsequent Measurement Date. However, Paragraph 80f of GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer’s reporting date that are expected to have a significant effect on the employer’s share of the collective Net Pension Liability, along with an estimate of the resulting change, if available.

There are no changes subsequent to the June 30, 2022 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

Deferred Compensation Plan

A deferred compensation plan is available to employees wherein they may execute an individual agreement with the District for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances are: termination by reason of resignation, death, disability, or retirement; unforeseeable emergency; or by requesting a de minimis distribution from inactive accounts valued less than \$5,000. Payment to the employee will be made over a period not to exceed 15 years. The deferred compensation plan is one which is authorized under IRC Section 457 and has been approved in its specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the administrator for the sole benefit of the plan participants and are not considered assets or liabilities of the District.

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:

Employees of the District are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (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.

CLATSKANIE RURAL FIRE PROTECTION DISTRICT
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

3. PENSION PLAN (CONTINUED)

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. 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.

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Global Equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core Fixed Income	23.75%	2.73%
Real Estate	12.25%	5.66%
Master Limited Partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge Fund of Funds - Multistrategy	1.25%	5.11%
Hedge Fund Equity - Hedge	0.63%	5.31%
Hedge Fund - Macro	5.62%	5.06%
US Cash	-2.50%	1.76%
<i>Assumed Inflation - Mean</i>		2.40%

(Source: June 30, 2022 PERS ACFR; p. 74)

Discount Rate – The discount rate used to measure the total pension liability was 6.90 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the 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 pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.