

***CLACKAMAS COUNTY FIRE DISTRICT  
NO. 1, Clackamas County, Oregon  
ANNUAL FINANCIAL REPORT  
Year Ended June 30, 2000***

**CLACKAMAS COUNTY FIRE DISTRICT NO. 1, CLACKAMAS COUNTY, OREGON**  
**BOARD OF DIRECTORS**  
**JUNE 30, 2000**

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**BOARD OF DIRECTORS**

**TERM EXPIRES**

Milo Haas, RPH, Chairperson  
4912 S.E. Robin Road  
Milwaukie, Oregon 97267

June 30, 2003

Ralph Lidstrom, Vice-Chairperson  
8975 SE Spencer Drive  
Portland, Oregon 97266

June 30, 2001

Marilyn Wall, Secretary/Recording Secretary  
3385 SE Aldercrest Road  
Milwaukie, Oregon 97222

June 30, 2001

George Warren  
23590 S Beatie Road  
Oregon City, Oregon 97045

June 30, 2001

David Mansfield  
11506 SE 147th Avenue  
Portland, Oregon 97236

June 30, 2003

***OFFICERS***

Randy R. Bruegman, Fire Chief

Robert D. Carnahan, Assistant Chief  
James Kefalas, Assistant Chief

***ADMINISTRATION***

Kyle R. Gorman, Executive Officer

Randy R. Bruegman, Registered Agent  
11300 SE Fuller Road  
Milwaukie, Oregon 97222

**CLACKAMAS COUNTY FIRE DISTRICT NO. 1, CLACKAMAS COUNTY, OREGON**  
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**JUNE 30, 2000**

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**GROVE, MUELLER & SWANK, P.C.**

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

***INDEPENDENT AUDITOR'S REPORT***

Board of Directors  
Clackamas County Fire District No. 1  
Milwaukie, Oregon


We have audited the accompanying general purpose financial statements of Clackamas County Fire District No. 1, Milwaukie, Oregon, as of and for the year ended June 30, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Clackamas County Fire District No. 1 as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund financial statements and the accompanying financial information listed as supplemental data in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the District. The information in these schedules has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

*GROVE, MUELLER & SWANK, P.C.*  
*CERTIFIED PUBLIC ACCOUNTANTS*

By:   
Charles A. Swank, Shareholder  
September 28, 2000

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***GENERAL PURPOSE FINANCIAL STATEMENTS***

**CLACKAMAS COUNTY FIRE DISTRICT NO. 1, CLACKAMAS COUNTY, OREGON**  
**COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS**  
**JUNE 30, 2000**

	<i>Governmental Fund Types</i>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<b>ASSETS</b>				
Cash and investments	\$ 5,693,573	\$ 389,183	\$ 198,346	\$ 777,198
Receivables				
Accounts	13,854	-	-	-
Undistributed tax collections	119,525	-	3,872	-
Property taxes	878,204	-	26,881	-
Prepaid expenses	80,536	-	-	-
Inventories	206,953	-	-	-
Due from other funds	173,306	141,043	-	136,857
Notes receivable	-	-	-	33,028
Investment in general fixed assets	-	-	-	-
Amount available for debt service	-	-	-	-
Amount to be provided for long-term obligations	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total Assets</i>	<u>\$ 7,165,951</u>	<u>\$ 530,226</u>	<u>\$ 229,099</u>	<u>\$ 947,083</u>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities</b>				
Accounts payable	\$ 438,772	\$ -	\$ -	\$ -
Due to other funds	324	256,958	97,796	92,607
Deferred revenue	878,204	-	26,881	33,028
Accrued vacation pay	-	-	-	-
Capital leases payable	-	-	-	-
Bonds payable	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total Liabilities</i>	1,317,300	256,958	124,677	125,635
<b>Fund Equity</b>				
Investment in fixed assets	-	-	-	-
Fund balance				
Unreserved, undesignated	<u>5,848,651</u>	<u>273,268</u>	<u>104,422</u>	<u>821,448</u>
<i>Total Fund Equity</i>	<u>5,848,651</u>	<u>273,268</u>	<u>104,422</u>	<u>821,448</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$ 7,165,951</u>	<u>\$ 530,226</u>	<u>\$ 229,099</u>	<u>\$ 947,083</u>

<i>Proprietary Fund Type</i>	<i>Account Groups</i>		<i>Total (Memorandum Only)</i>
	<i>Enterprise Fund</i>	<i>General Fixed Assets</i>	
\$ 14,182	\$ -	\$ -	\$ 7,072,482
-	-	-	13,854
-	-	-	123,379
-	-	-	905,085
-	-	-	80,536
-	-	-	206,953
110	-	-	451,316
-	-	-	33,028
-	17,142,250	-	17,142,250
-	-	104,422	104,422
-	-	3,994,813	3,994,813
<u>\$ 14,292</u>	<u>\$ 17,142,250</u>	<u>\$ 4,099,235</u>	<u>\$ 30,128,136</u>
\$ -	\$ -	\$ -	\$ 438,772
3,631	-	-	451,316
-	-	-	938,113
-	-	810,700	810,700
-	-	1,378,535	1,378,535
-	-	1,910,000	1,910,000
3,631	-	4,099,235	5,927,436
-	17,142,250	-	17,142,250
10,661	-	-	7,058,450
10,661	17,142,250	-	24,200,700
<u>\$ 14,292</u>	<u>\$ 17,142,250</u>	<u>\$ 4,099,235</u>	<u>\$ 30,128,136</u>

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

**CLACKAMAS COUNTY FIRE DISTRICT NO. 1, CLACKAMAS COUNTY, OREGON**  
**COMBINED STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - ALL GOVERNMENTAL FUND TYPES**  
**YEAR ENDED JUNE 30, 2000**

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total (Memorandum Only)</u>
<b>REVENUE</b>					
Taxes and assessments	\$ 13,036,394	\$ -	\$ 424,233	\$ -	\$ 13,460,627
Interest on investments	418,354	36,643	7,363	68,448	530,808
Other local sources	2,837,592	-	-	-	2,837,592
Miscellaneous	-	87,396	-	4,200	91,596
<b>Total Revenue</b>	<b>16,292,340</b>	<b>124,039</b>	<b>431,596</b>	<b>72,648</b>	<b>16,920,623</b>
<b>EXPENDITURES</b>					
Personal services	13,323,825	-	-	-	13,323,825
Materials and services	2,766,967	-	-	-	2,766,967
Capital outlay	441,595	531,349	-	817,309	1,790,253
Debt service	-	-	377,463	-	377,463
<b>Total Expenditures</b>	<b>16,532,387</b>	<b>531,349</b>	<b>377,463</b>	<b>817,309</b>	<b>18,258,508</b>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	<b>( 240,047)</b>	<b>( 407,310)</b>	<b>54,133</b>	<b>( 744,661)</b>	<b>( 1,337,885)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	168,817	-	200,000	368,817
Transfers out	( 368,817)	-	-	-	( 368,817)
<b>Total Other Financing Sources (Uses)</b>	<b>( 368,817)</b>	<b>168,817</b>	<b>-</b>	<b>200,000</b>	<b>( 377,463)</b>
<b>REVENUE OVER (UNDER) EXPENDI- TURES AND OTHER FINANCING SOURCES (USES)</b>	<b>( 608,864)</b>	<b>( 238,493)</b>	<b>54,133</b>	<b>( 544,661)</b>	<b>( 1,337,885)</b>
<b>FUND BALANCE, Beginning of year</b>	<b>6,457,515</b>	<b>511,761</b>	<b>50,289</b>	<b>1,366,109</b>	<b>8,385,674</b>
<b>FUND BALANCE, End of year</b>	<b>\$ 5,848,651</b>	<b>\$ 273,268</b>	<b>\$ 104,422</b>	<b>\$ 821,448</b>	<b>\$ 7,047,789</b>

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



**CLACKAMAS COUNTY FIRE DISTRICT NO. 1, CLACKAMAS COUNTY, OREGON**  
**COMBINED STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUND TYPES**  
**YEAR ENDED JUNE 30, 2000**

	<u>General</u>			<u>Special Revenue</u>		
	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUE</b>						
Taxes and assessments	\$ 13,036,394	\$ 13,347,589	\$ ( 311,195)	\$ -	\$ -	\$ -
Interest on investments	418,354	355,000	63,354	36,643	13,000	23,643
Other local sources	2,837,592	2,551,970	285,622	-	-	-
Miscellaneous	-	-	-	87,396	10,000	77,396
<i>Total Revenue</i>	<u>16,292,340</u>	<u>16,254,559</u>	<u>37,781</u>	<u>124,039</u>	<u>23,000</u>	<u>101,039</u>
<b>EXPENDITURES</b>						
Personal services	13,323,825	13,325,418	1,593	-	-	-
Materials and services	2,766,967	2,768,294	1,327	-	-	-
Capital outlay	441,595	442,030	435	531,349	761,800	230,451
Debt service	-	-	-	-	-	-
Contingency	-	50,000	50,000	-	20,000	20,000
<i>Total Expenditures</i>	<u>16,532,387</u>	<u>16,585,742</u>	<u>53,355</u>	<u>531,349</u>	<u>781,800</u>	<u>250,451</u>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	( 240,047)	( 331,183)	91,136	( 407,310)	( 758,800)	351,490
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	168,817	168,817	-
Transfers out	( 368,817)	( 368,817)	-	-	-	-
Loan proceeds	-	-	-	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>( 368,817)</u>	<u>( 368,817)</u>	<u>-</u>	<u>168,817</u>	<u>168,817</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b>	( 608,864)	( 700,000)	91,136	( 238,493)	( 589,983)	351,490
<b>FUND BALANCE, Beginning of year</b>	<u>6,457,515</u>	<u>5,946,389</u>	<u>511,121</u>	<u>511,761</u>	<u>643,195</u>	<u>( 131,434)</u>
<b>FUND BALANCE, End of year</b>	<u>\$ 5,848,651</u>	<u>\$ 5,246,389</u>	<u>\$ 602,262</u>	<u>\$ 273,268</u>	<u>\$ 53,212</u>	<u>\$ 220,056</u>

<u>Debt Service</u>			<u>Capital Projects</u>		
<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 424,233	\$ 398,246	\$ 25,987	\$ -	\$ -	\$ -
7,363	200	7,163	68,448	39,292	29,156
-	-	-	-	-	-
-	-	-	4,200	-	4,200
<u>431,596</u>	<u>398,446</u>	<u>33,150</u>	<u>72,648</u>	<u>39,292</u>	<u>33,356</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	817,309	1,530,000	712,691
377,463	376,906	( 557)	-	-	-
-	20,000	20,000	-	-	-
<u>377,463</u>	<u>396,906</u>	<u>19,443</u>	<u>817,309</u>	<u>1,530,000</u>	<u>712,691</u>
54,133	1,340	52,593	( 744,661)	(1,540,708)	746,047
-	-	-	200,000	200,000	-
-	-	-	-	-	-
-	-	-	-	1,000,000	(1,000,000)
-	-	-	200,000	1,200,000	(1,000,000)
54,133	1,340	52,593	( 544,661)	( 340,708)	( 203,953)
<u>50,289</u>	<u>48,902</u>	<u>1,387</u>	<u>1,366,109</u>	<u>1,047,783</u>	<u>318,326</u>
<u>\$ 104,422</u>	<u>\$ 50,442</u>	<u>\$ 53,980</u>	<u>\$ 821,448</u>	<u>\$ 707,075</u>	<u>\$ 114,373</u>

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

**CLACKAMAS COUNTY FIRE DISTRICT NO. 1, CLACKAMAS COUNTY, OREGON**  
**COMBINED STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - PROPRIETARY FUND TYPE - ENTERPRISE FUND - TRAINING FUND**  
**YEAR ENDED JUNE 30, 2000**

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**REVENUE**

Interest income	\$ 753
Charges for services	<u>1,410</u>
<i>Total Revenue</i>	2,163

**EXPENDITURES**

Capital outlay	<u>-</u>
<i>Total Expenditures</i>	<u>-</u>

**REVENUE OVER (UNDER) EXPENDITURES**

2,163

**FUND BALANCE, Beginning of year**

8,498

**FUND BALANCE, End of year**

\$ 10,661

*The accompanying notes are an integral part of the financial statements.*

**CLACKAMAS COUNTY FIRE DISTRICT NO. 1, CLACKAMAS COUNTY, OREGON**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE - ENTERPRISE FUND - TRAINING FUND**  
**YEAR ENDED JUNE 30, 2000**

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**CASH FLOWS FROM OPERATING ACTIVITIES**

Operating income \$ 1,410

*Net Cash From Operating Activities* 1,410

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest received 753

*Net Cash From Investing Activities* 753

**CASH FLOWS FROM FINANCING ACTIVITIES**

Due from other funds 110

*Net Cash From Financing Activities* 110

**NET INCREASE IN CASH AND CASH EQUIVALENTS** 2,053

**CASH AND CASH EQUIVALENTS, Beginning of year** 12,129

**CASH AND CASH EQUIVALENTS, End of year** \$ 14,182

*The accompanying notes are an integral part of the financial statements.*

**CLACKAMAS COUNTY FIRE DISTRICT NO. 1, CLACKAMAS COUNTY, OREGON**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2000**

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***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

The Clackamas County Fire District No. 1 was incorporated under the provisions of Oregon statutes. The District provides fire protection, safety, first aid and public education as authorized by its charter. The administration of the District is governed by a five member board of directors.

On July 1, 1998, Oak Lodge Rural Fire Protection District No. 51 was merged into Clackamas County Fire District No. 1. Beginning fund balances have been restated to include Oak Lodge.

On October 1, 1999, a contract for services became effective, and equipment and personnel from Clarkes Rural Fire Protection District No. 68 were transferred to Clackamas County Fire District No. 1.

The financial statements of the Clackamas County Fire District No. 1 have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

***Reporting Entity***

The District qualifies as a primary government since it has a separately elected governing body, is a legally separate entity, and is fiscally independent. There are various governmental agencies and special service districts which provide services within the District's boundaries. However, the District is not financially accountable for any of these entities, and therefore, none of them are considered component units or included in these financial statements.

***Fund Accounting***

The government uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Governmental funds are used to account for all or most of the District's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds).

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration.

***Basis of Accounting***

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

**CLACKAMAS COUNTY FIRE DISTRICT NO. 1, CLACKAMAS COUNTY, OREGON**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2000**

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***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***

*Basis of Accounting (Continued)*

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property taxes as available as they are collected. Expenditures are recorded when the related fund liability is incurred.

The government reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

*Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

*Budgets and Budgetary Accounting*

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for all funds. All annual appropriations lapse at fiscal year end.

Prior to July 1 of each fiscal year, a budget is prepared by management, approved by the budget committee and adopted and appropriated by the Board of Directors by resolution. The tax levy is certified to the County Tax Assessor by July 15.

The budget is prepared for each governmental fund type in accordance with the modified accrual basis of accounting and legal requirements set forth in the Oregon Local Budget Law. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total expenditures by the categories of personal services, materials and services and capital outlay is the level of control established by the resolution.

Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriations resolution. A supplemental budget requires hearings before the public, publication in newspapers and approval by the Board. 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. No supplemental budgets were made during the year ended June 30, 2000.

*Inventories*

Inventories are recorded at cost using the first-in, first-out method. Inventories are charged to expense as consumed.

**CLACKAMAS COUNTY FIRE DISTRICT NO. 1, CLACKAMAS COUNTY, OREGON**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2000**

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***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***

*General Fixed Assets*

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the General Fixed Assets Account Group. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Depreciation is not recorded on general fixed assets. Upon disposal, the General Fixed Assets Account Group is relieved of the related cost.

*Compensated Absences*

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the General Long-term Debt Account Group. No expenditure is reported for these amounts. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

*Long-Term Obligations*

Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the General Long-term Debt Account Group.

*Interfund Transactions*

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

During the course of operations, transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables/payables."

*Memorandum Only - Total Columns*

Total columns on the general purpose financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**CLACKAMAS COUNTY FIRE DISTRICT NO. 1, CLACKAMAS COUNTY, OREGON**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2000**

**CASH AND INVESTMENTS**

Oregon Revised Statutes (294.035) authorizes the Authority to invest in obligations of the U.S. Treasury and agencies, time certificates of deposit, bankers' acceptances, repurchase agreements, and the State of Oregon Local Government Investment Pool. Such investments are stated at cost, increased by accretion of discounts and reduced by amortization of premiums, both computed by the straight-line method, which approximates fair value.

At June 30, 2000, the District had overdrawn two of its checking accounts on a book basis. As checks are presented at the bank for payment, funds are transferred from the sweep account. These overdrafts have been used to maximize interest income during the float period (the time period between the writing of a check and the day the bank receives and honors the check). The District had sufficient assets in the form of investments to cover the overdrafts. The District's deposits in its checking accounts were entirely covered by Federal Depository Insurance and certificates of participation as authorized by Oregon Statutes. The bank sweep account represents an investment in repurchase agreements and is collateralized by the underlying securities.

	<u>Total</u>
Cash on hand and in checking accounts	\$ ( 391,670)
Bank sweep account	<u>674,483</u>
<i>Total Cash and Investments</i>	282,813
Investments in Local Government Investment Pool (fair value \$6,782,879)	<u>6,789,669</u>
	<u>\$ 7,072,482</u>

The State Treasurer of the State of Oregon maintains the Oregon Short-term Fund, of which the Local Government Investment Pool is part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with the Oregon Statutes, the investment funds are invested as a prudent investor would do, exercising reasonable care, skill, and caution. The investment is carried at cost, which approximate fair value.

**CONTRACT RECEIVABLES**

10% note due from Bradley Fleck Properties; monthly payments of \$350 for 15 years. The note is collateralized by an office building and land. Balance owing at June 30, 2000 was \$33,029 and is recorded in the Capital Projects Fund.

**FIXED ASSETS**

The following is a summary of changes in the General Fixed Assets Account Group during the period July 1, 1999 through June 30, 2000:

	<u>Balance July 1, 1999</u>	<u>Clarke's</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2000</u>
Land and buildings	\$ 8,459,388	\$ -	\$ 1,050,792	\$ -	\$ 9,510,180
Equipment and furniture	<u>7,070,781</u>	<u>484,194</u>	<u>387,772</u>	<u>( 310,677)</u>	<u>7,632,070</u>
<i>Totals</i>	<u>\$ 15,530,169</u>	<u>\$ 484,194</u>	<u>\$ 1,438,564</u>	<u>\$ ( 310,677)</u>	<u>\$ 17,142,250</u>



**CLACKAMAS COUNTY FIRE DISTRICT NO. 1, CLACKAMAS COUNTY, OREGON**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2000**

**LONG-TERM DEBT**

Changes in long-term debt for the year were as follows:

	<u>Balance July 1, 1999</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance June 30, 2000</u>
General obligation bonds payable	\$ 2,195,000	\$ -	\$ 285,000	\$ 1,910,000
Capital leases	1,394,460	-	135,925	1,258,535
Lease option	-	150,000	30,000	120,000
Accrued compensated absences	767,890	42,810	-	810,700
	<u>\$ 4,357,350</u>	<u>\$ 192,810</u>	<u>\$ 450,925</u>	<u>\$ 4,099,235</u>

At June 30, 2000, future maturities of bond principal and interest are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001	\$ 285,000	\$ 80,144	\$ 365,144
2002	295,000	67,672	362,672
2003	310,000	54,358	364,358
2004	325,000	40,066	365,066
2005	340,000	24,767	364,767
Thereafter	<u>355,000</u>	<u>8,431</u>	<u>363,431</u>
	<u>\$ 1,910,000</u>	<u>\$ 275,438</u>	<u>\$ 2,185,438</u>

At June 30, 2000, future maturities of capital leases principal and interest are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001	\$ 142,654	\$ 59,819	\$ 202,473
2002	149,715	52,758	202,473
2003	157,125	45,348	202,473
2004	164,903	37,571	202,474
2005	173,065	29,458	202,523
Thereafter	<u>471,075</u>	<u>35,110</u>	<u>506,185</u>
	<u>\$ 1,258,535</u>	<u>\$ 260,064</u>	<u>\$ 1,518,601</u>

**CLACKAMAS COUNTY FIRE DISTRICT NO. 1, CLACKAMAS COUNTY, OREGON**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2000**

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**LONG-TERM DEBT (Continued)**

At June 30, 2000, future maturities in the lease option are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001	\$ 60,000	\$ 13,500	\$ 73,500
2002	30,000	2,700	32,700
2003	30,000	2,700	32,700
	<u>\$ 120,000</u>	<u>\$ 18,900</u>	<u>\$ 138,900</u>

**PENSION PLAN**

District employees participate in the Oregon Public Employee's Retirement System (PERS), a cost sharing multiple-employer defined benefit pension plan. All the District employees are eligible to participate in the system after completing six months of service. Total payroll was \$10,447,838 and covered payroll was \$10,280,688 for the year ended June 30, 2000. PERS is administered by the Public Employees Retirement Board under the guidelines of Oregon Revised Statutes, Chapter 238. The PERS retirement allowance, payable monthly for life, may be selected from twelve retirement benefit options. Options include survivorship benefits and lump sum refunds. The basic benefit formula is 1.67 percent of a member's final average salary multiplied by the member's number of years of service. Benefits may also be calculated under either a money match or an annuity-plus-pension computation if a greater benefit results. PERS also provides death and disability benefits. A copy of the Oregon Public Employees Retirement System annual financial report may be obtained from PERS, P.O. Box 73, Portland, Oregon 97207-0073.

Covered employees are required by State statute to contribute 6.0 percent of their salary to the plan. Current law permits employers to pay employee contributions to the Retirement Fund. The District is required by statute to contribute actuarially computed amounts as determined by PERS. Rates are subject to change as a result of subsequent actuarial valuations. Currently the rate is 10.12 percent of each covered employee's salary. The amounts contributed by the District for the years ended June 30, 2000, 1999 and 1998 were \$1,658,673, \$1,464,315 and \$705,673, which consisted of employer and employee required contributions for the years. No pension liability existed at June 30, 2000, determined in accordance with Statement No. 27 of the Government Accounting Standards Board.

**DEFERRED COMPENSATION PLAN**

The District offers certain employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits the employee to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Provisions of GASB Statement 32 eliminates the requirement that governmental entities relying on third parties to manage IRC 457 assets report such assets on their balance sheets.

***SUPPLEMENTAL DATA***

**CLACKAMAS COUNTY FIRE DISTRICT NO. 1, CLACKAMAS COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE - BUDGET AND ACTUAL - GENERAL FUND**  
**YEAR ENDED JUNE 30, 2000**

<u>Code</u>	<u>Function</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUE</b>				
410	Current year taxes	\$ 12,249,177	\$ 12,769,000	\$ ( 519,823)
415	Prior years taxes	778,806	558,589	220,217
420	Other taxes	8,411	20,000	( 11,589)
430	Interest	418,354	355,000	63,354
445	Contract income	2,671,813	2,481,970	189,843
454	Income, sales of goods and services	12,227	20,000	( 7,773)
470	Other income	151,814	40,000	111,814
480	Response income	1,738	10,000	( 8,262)
	<i>Total Revenue</i>	16,292,340	16,254,559	37,781

*See independent auditor's report.*

**CLACKAMAS COUNTY FIRE DISTRICT NO. 1, CLACKAMAS COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE - BUDGET AND ACTUAL - GENERAL FUND (Continued)**  
**YEAR ENDED JUNE 30, 2000**

<u>Code</u>	<u>Function</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>PERSONAL SERVICES</b>				
<b>Personnel</b>				
501	Fire Chief	\$ 91,700	\$ 91,710	\$ 10
503	Assistant Chief	236,946	270,519	33,573
505	Battalion Chief	904,642	880,000	( 24,642)
506	Human Resource Manager	208,487	184,955	( 23,532)
508	Community Protection Specialist	184,008	189,000	4,992
510	Captain	594,425	648,560	54,135
512	Lieutenant	1,390,604	1,483,800	93,196
515	Apparatus Operator	2,490,745	2,495,856	5,111
520	Fire Fighter	1,686,053	1,664,092	( 21,961)
530	Clerical	266,525	261,804	( 4,721)
531	Other employee	233,302	191,816	( 41,486)
533	Temporary labor	79,726	104,777	25,051
540	EMT Certification	440,751	445,656	4,905
545	Oak Lodge adjustment	66,377	74,905	8,528
<b>Relief</b>				
555	School replacement	99,854	74,670	( 25,184)
558	Vacation	829,462	773,777	( 55,685)
561	Sick leave	338,321	255,122	( 83,199)
565	Administrative leave	9,040	3,500	( 5,540)
567	Overtime	276,646	246,573	( 30,073)
<b>Benefits</b>				
573	Social security	756,841	766,628	9,787
575	Workers compensation	98,980	182,132	83,152
578	PERS pickup	5,502	5,505	3
580	PERS retirement	1,040,598	958,208	( 82,390)
584	Deferred compensation	143,831	161,198	17,367
585	Unemployment	13	12,000	11,987
587	Life insurance	10,668	16,847	6,179
589	Dental insurance	148,202	160,197	11,995
592	Medical insurance	691,576	721,210	29,634
595	Sick leave incentive	—	400	400
	<b>Total Personal Services</b>	<b>13,323,825</b>	<b>13,325,418</b>	<b>1,593</b>

See independent auditor's report.

**CLACKAMAS COUNTY FIRE DISTRICT NO. 1, CLACKAMAS COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE - BUDGET AND ACTUAL - GENERAL FUND (Continued)**  
**YEAR ENDED JUNE 30, 2000**

<u>Code</u>	<u>Function</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>MATERIALS AND SERVICES</b>				
<b>Administration</b>				
602	Election expense	\$ 15,743	\$ 10,000	\$ ( 5,743)
604	Meetings expense	18,117	15,282	( 2,835)
607	Short-term interest	-	-	-
610	Civil service	7,491	5,000	( 2,491)
614	Bank charges	3,203	4,000	797
616	Dues and publications	17,020	14,010	( 3,010)
620	Awards & Recognition	12,433	13,950	1,517
622	Program R & D	26,831	34,300	7,469
625	Operating expenses	62,102	71,710	9,608
<b>Materials</b>				
630	Fire fighting supplies	32,164	29,950	( 2,214)
633	EMS & Rescue supplies	45,651	72,657	27,006
636	Fuel	52,539	39,750	( 12,789)
639	Uniforms and protective equipment	144,410	129,755	( 14,655)
642	Office supplies	51,713	48,250	( 3,463)
645	Computer/Video software	80,966	102,490	21,524
648	Photo supplies	3,167	5,149	1,982
650	Operating supplies	38,032	32,950	( 5,082)
<b>Services</b>				
652	Legal and audit services	483,263	401,200	( 82,063)
654	Dispatch services	411,418	390,000	( 21,418)
660	Utilities	232,207	228,859	( 3,348)
672	Property/Casualty insurance	113,319	77,892	( 35,427)
680	Medical exams	152,458	166,607	14,149
685	Conference and schools	112,235	119,400	7,165
690	Taxes and assessments	79,881	72,190	( 7,691)
695	Volunteer Fire Fighters	28,819	28,250	( 569)
<b>Maintenance Services</b>				
710	Vehicle maintenance	184,412	171,500	( 12,912)
715	Equipment maintenance	23,885	34,175	10,290
720	Radio maintenance	21,666	15,750	( 5,916)
725	Facility maintenance	137,712	159,900	22,188
735	Office equipment maintenance	7,873	15,000	7,127
740	Computer/Video maintenance	6,768	19,000	12,232
<b>Operating</b>				
750	SCBA program	77,690	129,343	51,653
760	Training	19,146	56,875	37,729
770	Fire prevention	54,928	52,150	( 2,778)
780	Safety	2	1,000	998
799	Miscellaneous	7,703	-	( 7,703)
	<b>Total Materials and Services</b>	<b>2,766,967</b>	<b>2,768,294</b>	<b>1,327</b>

See independent auditor's report.

**CLACKAMAS COUNTY FIRE DISTRICT NO. 1, CLACKAMAS COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE - BUDGET AND ACTUAL - GENERAL FUND (Continued)**  
**YEAR ENDED JUNE 30, 2000**

<u>Code</u>	<u>Function</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>CAPITAL OUTLAY</b>				
805	Fire apparatus	\$ 22,451	\$ 18,940	\$ ( 3,511)
815	Fire hose	2,016	25,000	22,984
825	Fire fighting equipment	38,762	42,595	3,833
835	EMS & Rescue equipment	54,478	54,160	( 318)
845	Communication equipment	15,830	18,600	2,770
860	Facility improvements	83,483	48,900	( 34,583)
870	Furniture, appliances and tools	106,369	113,335	6,966
885	Office equipment	2,616	4,000	1,384
890	Computer and A/V hardware	115,590	116,500	910
895	Signal pre-empt equipment	—	—	—
	<i>Total Capital Outlay</i>	<u>441,595</u>	<u>442,030</u>	<u>435</u>
	<b>OPERATING CONTINGENCY</b>	<u>—</u>	<u>50,000</u>	<u>50,000</u>
	<i>Total Expenditures</i>	<u>16,532,387</u>	<u>16,585,742</u>	<u>53,355</u>
	<b>REVENUE OVER (UNDER) EXPENDITURES</b>	( 240,047)	( 331,182)	91,136
	<b>OTHER FINANCING SOURCES (USES)</b>			
	Transfers out	( 368,817)	( 368,817)	—
	<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>( 608,864)</u>	<u>( 700,000)</u>	<u>91,136</u>
	<b>FUND BALANCE, Beginning of year</b>	<u>6,457,515</u>	<u>5,946,389</u>	<u>511,126</u>
	<b>FUND BALANCE, End of year</b>	<u>\$ 5,848,651</u>	<u>\$ 5,246,389</u>	<u>\$ 602,262</u>

See independent auditor's report.

**CLACKAMAS COUNTY FIRE DISTRICT NO. 1, CLACKAMAS COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2000**

	<u>Actual</u>	<u>Budget</u>	<i>Variance Favorable (Unfavorable)</i>
<b>REVENUE</b>			
Interest	\$ 36,643	\$ 13,000	\$ 23,643
Miscellaneous	<u>87,396</u>	<u>10,000</u>	<u>77,396</u>
<i>Total Revenue</i>	124,039	23,000	101,039
<b>EXPENDITURES</b>			
Capital outlay	531,349	761,800	230,451
Contingency	<u>—</u>	<u>20,000</u>	<u>20,000</u>
<i>Total Expenditures</i>	<u>531,349</u>	<u>781,800</u>	<u>250,451</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	( 407,310)	758,800	351,490
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>168,817</u>	<u>168,817</u>	<u>—</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>( 238,493)</u>	<u>( 589,983)</u>	<u>351,490</u>
<b>FUND BALANCE, Beginning of year</b>	<u>511,761</u>	<u>643,195</u>	<u>( 131,434)</u>
<b>FUND BALANCE, End of year</b>	<u>\$ 273,268</u>	<u>\$ 53,212</u>	<u>\$ 220,056</u>

See independent auditor's report.



**CLACKAMAS COUNTY FIRE DISTRICT NO. 1, CLACKAMAS COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND**  
**YEAR ENDED JUNE 30, 2000**

	<u>Actual</u>	<u>Budget</u>	<i>Variance Favorable (Unfavorable)</i>
<b>REVENUE</b>			
Taxes and assessments	\$ 424,233	\$ 398,246	\$ 25,987
Interest	<u>7,363</u>	<u>200</u>	<u>7,163</u>
<i>Total Revenue</i>	431,596	398,446	33,150
<b>EXPENDITURES</b>			
Debt service	377,463	376,906	( 557)
Contingency	<u>—</u>	<u>20,000</u>	<u>20,000</u>
<i>Total Expenditures</i>	<u>377,463</u>	<u>396,906</u>	<u>19,443</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	54,133	1,340	52,593
<b>FUND BALANCE, Beginning of year</b>	<u>50,289</u>	<u>48,902</u>	<u>1,387</u>
<b>FUND BALANCE, End of year</b>	<u>\$ 104,422</u>	<u>\$ 50,442</u>	<u>\$ 53,980</u>

*See independent auditor's report.*

**CLACKAMAS COUNTY FIRE DISTRICT NO. 1, CLACKAMAS COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND**  
**YEAR ENDED JUNE 30, 2000**

	<u>Actual</u>	<u>Budget</u>	<i>Variance Favorable (Unfavorable)</i>
<b>REVENUE</b>			
Interest	\$ 68,448	\$ 39,292	\$ 29,156
Miscellaneous	<u>4,200</u>	<u>—</u>	<u>4,200</u>
<i>Total Revenue</i>	72,648	39,292	33,356
<b>EXPENDITURES</b>			
Capital outlay	817,309	1,530,000	712,691
Contingency	<u>—</u>	<u>50,000</u>	<u>50,000</u>
<i>Total Expenditures</i>	<u>817,309</u>	<u>1,580,000</u>	<u>762,691</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	( 744,661)	( 1,540,708)	746,047
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer in	200,000	200,000	—
Debt proceeds	<u>—</u>	<u>1,000,000</u>	<u>( 1,000,000)</u>
<i>Total Other Financing Sources (Uses)</i>	200,000	1,200,000	( 1,000,000)
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	( 544,661)	( 340,708)	( 203,953)
<b>FUND BALANCE, Beginning of year</b>	<u>1,366,109</u>	<u>1,047,783</u>	<u>318,326</u>
<b>FUND BALANCE, End of year</b>	<u>\$ 821,448</u>	<u>\$ 707,075</u>	<u>\$ 114,373</u>

*See independent auditor's report.*

**CLACKAMAS COUNTY FIRE DISTRICT NO. 1, CLACKAMAS COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE - BUDGET AND ACTUAL - TRAINING FUND**  
**YEAR ENDED JUNE 30, 2000**

	<u>Actual</u>	<u>Budget</u>	<i>Variance Favorable (Unfavorable)</i>
<b>REVENUE</b>			
Interest	\$ 753	\$ 200	\$ 553
Charges for services	<u>1,410</u>	<u>25,000</u>	<u>( 23,590)</u>
<i>Total Revenue</i>	2,163	25,200	( 23,037)
 <b>EXPENDITURES</b>			
Operating contingency	<u>—</u>	<u>25,000</u>	<u>25,000</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	2,163	200	1,963
<b>FUND BALANCE, Beginning of year</b>	<u>8,498</u>	<u>7,953</u>	<u>545</u>
<b>FUND BALANCE, End of year</b>	<u>\$ 10,661</u>	<u>\$ 8,153</u>	<u>\$ 2,508</u>

*See independent auditor's report.*

**CLACKAMAS COUNTY FIRE DISTRICT NO. 1, CLACKAMAS COUNTY, OREGON**  
**STATEMENT OF PROPERTY TAX TRANSACTIONS**  
**YEAR ENDED JUNE 30, 2000**

<u>Tax Roll Year</u>	<u>Taxes Uncollected July 1, 1999</u>	<u>1999-2000 Tax Levy</u>	<u>Taxes Collected Current Year</u>	<u>Net Adjustment to Tax Roll</u>	<u>Taxes Uncollected June 30, 2000</u>
<b>Clackamas County</b>					
Prior years	\$ ( 17,155)	\$ -	\$ 1,420	\$ 21,180	\$ 2,605
1991-1992	2,238	-	549	( 360)	1,329
1992-1993	1,785	-	409	( 118)	1,258
1993-1994	3,484	-	988	( 689)	1,807
1994-1995	5,911	-	2,511	( 510)	2,890
1995-1996	19,923	-	13,353	( 524)	6,046
1996-1997	95,457	-	69,141	( 435)	25,881
1997-1998	189,886	-	94,820	( 2,063)	93,003
1998-1999	489,861	-	273,884	( 4,456)	211,521
1999-2000	-	13,828,372	12,936,455	( 333,172)	558,745
	<u>\$ 791,390</u>	<u>\$ 13,828,372</u>	13,393,530	<u>\$ ( 321,147)</u>	<u>\$ 905,085</u>
<b>Multnomah County</b>					
			<u>7,519</u>		
			<u>\$ 13,401,049</u>		

*See independent auditor's report.*

**CLACKAMAS COUNTY FIRE DISTRICT NO. 1, CLACKAMAS COUNTY, OREGON**  
**SCHEDULE OF INSURANCE IN FORCE**  
**JUNE 30, 2000**

<u>Company</u>	<u>Policy Number</u>	<u>Policy Term</u>	<u>Amount of Insurance</u>	<u>Coverage</u>
Volunteer Firemen Insurance Services	MXG 80751363	1/1/00- 1/1/01	\$ 1,000,000 2,000,000 10,553,800	Auto Liability General Liability Buildings & Personal Property Umbrella Management Liability Errors & Omissions Supplement
Provident Agency	DCC50386	7/1/00-01	10,000	Accidental Death & Dismemberment
Hartford Fire Insurance Company	52BPEAI9284	10/1/99 until cancelled	200,000	Public Employee Fidelity Bond
SAIF	431322	7/1/00- 6/30/01	500,000 500,000 500,000	Each Accident Disease - Policy Limit Disease - Employee Limit

***CLACKAMAS COUNTY FIRE DISTRICT NO. 1, CLACKAMAS COUNTY, OREGON***  
***AUDITOR'S COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS***  
***YEAR ENDED JUNE 30, 2000***

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Oregon Administrative Rules 162-10-050 through 162-10-320 incorporated in the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, enumerate the financial statements, schedules, comments and disclosures required in audit reports. The required statements and schedules are set forth in the preceding sections of this report. Required comments and disclosures related to our audit of such statements and schedules are set forth as follows:

*Significant Accounting Policies*

The significant accounting policies followed in preparing the District's financial statements are summarized in the notes to the general purpose financial statements.

*Organization and Fund Structure*

The organization and fund structure of the District is documented on the title page and in the notes to the general purpose financial statements.

*Internal Accounting Control*

We have audited the general purpose financial statements of Clackamas County Fire District No. 1 as of and for the year ended June 30, 2000, and have issued our report thereon dated September 28, 2000. As part of our audit, we made a study and evaluation of accounting systems and controls as required by generally accepted auditing standards. The purpose of our study and evaluation was to determine the nature, timing and extent of the auditing procedures necessary for expressing an opinion on the District's financial statements. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control of the District taken as a whole. However, our study and evaluation disclosed no condition that we believe to be a material weakness.

We did note certain areas in which improvements or efficiencies could be achieved and have communicated them in our separate letter to management dated September 28, 2000.

*Depositories and Collateral*

The depositories and the amount of collateral pledged by these depositories to secure funds of the District were reviewed and appeared to be in compliance with Oregon Revised Statutes.

*Investments*

Our review of deposit and investment balances and the investment policies of the District appear to be in compliance with ORS 295, as it pertains to the investment of public funds during the year ended June 30, 2000.

*Indebtedness*

We reviewed compliance relating to short-term debt, including limitations on the amount of debt which may be incurred, liquidation of debt within other agreements, including any restrictions on the use of monies available to retire indebtedness. We found no instances in which the District had not complied with these legal or contractual provisions relating to short-term debt.

**CLACKAMAS COUNTY FIRE DISTRICT NO. 1, CLACKAMAS COUNTY, OREGON**  
**AUDITOR'S COMMENTS AND DISCLOSURES (Continued)**  
**YEAR ENDED JUNE 30, 2000**

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*Budget*

The District has complied with Local Budget Law (ORS 294) and ORS 264.300 in the preparation and adoption of its budget and tax levy for fiscal years ending June 30, 2000 and 2001. In the year ended June 30, 2000, expenditures in excess of appropriations were made in the Debt Service Fund.

*Public Contracts and Purchasing*

The District appears to have complied in all material respects with ORS 279 pertaining to purchasing and the awarding of public contracts.

*Insurance and Fidelity Bonds*


We reviewed the insurance policies and fidelity bonds of the District and have included a Schedule of Insurance in Force at June 30, 2000, in this report. Our professional training does not qualify us to state whether insurance coverage is adequate.

*Schedule of Accountability of Independently Elected Officials*

There are no elected District officials who collect or receive funds on behalf of the District.

This report is intended for the information of the Board of Directors and management of Clackamas County Fire District No. 1. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

GROVE, MUELLER & SWANK, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

By:   
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Charles A. Swank, Shareholder

September 28, 2000