

***CLACKAMAS COUNTY FIRE DISTRICT
NO. 1, Clackamas County, Oregon
ANNUAL FINANCIAL REPORT
Year Ended June 30, 2001***

CLACKAMAS COUNTY FIRE DISTRICT NO. 1, CLACKAMAS COUNTY, OREGON
BOARD OF DIRECTORS
JUNE 30, 2001

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
TABLE OF CONTENTS
JUNE 30, 2001

	<u>Page</u>
FINANCIAL SECTION	
Independent Auditor's Report	1
General Purpose Financial Statements	
Combined Balance Sheet - All Fund Types and Account Groups	2
Combined Statement of Revenue, Expenditures, and Changes in Fund Balance - All Governmental Fund Types	3
Combined Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual - All Governmental Fund Types	4
Statement of Revenues, Expenses and Change in Retained Earnings - Proprietary Fund Type - Enterprise Fund - Training Fund	5
Statement of Cash Flows - Proprietary Fund Type - Enterprise Fund - Training Fund	6
Notes to General Purpose Financial Statements	7-13
Supplemental Data (Combining, Individual Fund, and Other Financial Statements)	
General Fund	
Statement of Revenue and Expenditures and Changes in Fund Balance - Budget and Actual	14-17
Special Revenue Fund	
Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual	18
Debt Service Fund	
Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual	19
Capital Projects Funds	
Combining Balance Sheet	20
Combining Statement of Revenue, Expenditures, and Changes in Fund Balance	21
Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual	
Bond Fund	22
Capital Projects Fund	23
Proprietary Fund	
Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual - Enterprise Fund - Training Fund	24
Statement of Property Tax Transactions	25
Schedule of Insurance in Force	26
AUDITOR'S COMMENTS AND DISCLOSURES	27-28



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, 2001, 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 auditing standards generally accepted in the United States of America. 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, 2001, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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 25, 2001

E-Mail Address • cpas@gmscpa.com
Mailing Address • P.O. Box 2122 • Salem, Oregon 97308-2122
Salem • 475 Cottage Street NE, Suite 200 • Salem, Oregon 97301-3814 • (503) 581-7788 • FAX (503) 581-0152
Albany • P.O. Box 663 • 519 S. Lyon Street • Albany, Oregon 97321-0570 • (541) 967-2315 • FAX (541) 926-5926

GENERAL PURPOSE FINANCIAL STATEMENTS

CLACKAMAS COUNTY FIRE DISTRICT NO. 1, CLACKAMAS COUNTY, OREGON
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2001

	<i>Governmental Fund Types</i>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
ASSETS				
Cash and investments	\$ 4,684,375	\$ 223,601	\$ 135,428	\$ 8,822,485
Receivables				
Accounts	129,295	-	-	-
Undistributed tax collections	143,702	-	-	-
Property taxes	948,632	-	10,847	-
Prepaid expenses	123,921	-	-	-
Inventories	217,640	-	-	-
Due from other funds	172,980	141,043	-	136,857
Note receivable	-	-	-	32,089
Investment in general fixed assets	-	-	-	-
Amount available for debt service	-	-	-	-
Amount to be provided for long-term obligations	-	-	-	-
<i>Total Assets</i>	<u>\$ 6,420,545</u>	<u>\$ 364,644</u>	<u>\$ 146,275</u>	<u>\$ 8,991,431</u>
LIABILITIES AND EQUITY				
Liabilities				
Accounts payable	\$ 442,831	\$ -	\$ -	\$ -
Due to other funds	-	256,957	97,796	92,607
Deferred revenue	948,632	-	10,847	32,089
Accrued vacation pay	-	-	-	-
Capital leases payable	-	-	-	-
Bonds payable	-	-	-	-
<i>Total Liabilities</i>	1,391,463	256,957	108,643	124,696
Fund Equity				
Investment in fixed assets	-	-	-	-
Fund balance	5,029,082	107,687	37,632	8,866,735
Retained earnings	-	-	-	-
<i>Total Fund Equity</i>	<u>5,029,082</u>	<u>107,687</u>	<u>37,632</u>	<u>8,866,735</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$ 6,420,545</u>	<u>\$ 364,644</u>	<u>\$ 146,275</u>	<u>\$ 8,991,431</u>

<i>Proprietary Fund Type</i>	<i>Account Groups</i>		<i>Total (Memorandum Only)</i>
	<i>Enterprise Fund</i>	<i>General Fixed Assets</i>	
\$ 14,704	\$ -	\$ -	\$ 13,880,593
-	-	-	129,295
-	-	-	143,702
-	-	-	959,479
-	-	-	123,921
-	-	-	217,640
110	-	-	450,990
-	-	-	32,089
-	19,161,591	-	19,161,591
-	-	37,632	37,632
-	-	<u>12,674,545</u>	<u>12,674,545</u>
<u>\$ 14,814</u>	<u>\$ 19,161,591</u>	<u>\$ 12,712,177</u>	<u>\$ 47,811,477</u>
\$ -	\$ -	\$ -	\$ 442,831
3,630	-	-	450,990
-	-	-	991,568
-	-	911,296	911,296
-	-	1,175,881	1,175,881
-	-	<u>10,625,000</u>	<u>10,625,000</u>
3,630	-	12,712,177	14,597,566
-	19,161,591	-	19,161,591
-	-	-	14,041,136
<u>11,184</u>	-	-	<u>11,184</u>
<u>11,184</u>	<u>19,161,591</u>	-	<u>33,213,911</u>
<u>\$ 14,814</u>	<u>\$ 19,161,591</u>	<u>\$ 12,712,177</u>	<u>\$ 47,811,477</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, 2001

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total (Memorandum Only)</u>
REVENUE					
Taxes and assessments	\$ 13,779,753	\$ -	\$ 271,480	\$ -	\$ 14,051,233
Interest on investments	458,028	37,381	26,874	165,602	687,885
Other local sources	2,868,487	-	-	-	2,868,487
Miscellaneous	<u>23,388</u>	<u>3,250</u>	<u>-</u>	<u>68,693</u>	<u>95,331</u>
<i>Total Revenue</i>	17,129,656	40,631	298,354	234,295	17,702,936
EXPENDITURES					
Current					
Personal services	14,044,694	-	-	-	14,044,694
Materials and services	2,901,635	-	-	-	2,901,635
Capital outlay	579,015	380,093	-	1,470,098	2,429,206
Debt service	<u>-</u>	<u>-</u>	<u>365,144</u>	<u>-</u>	<u>365,144</u>
<i>Total Expenditures</i>	<u>17,525,344</u>	<u>380,093</u>	<u>365,144</u>	<u>1,470,098</u>	<u>19,740,679</u>
REVENUE OVER (UNDER) EXPENDITURES	(395,688)	(339,462)	(66,790)	(1,235,803)	(2,037,743)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	173,881	-	250,000	423,881
Transfers out	(423,881)	-	-	-	(423,881)
Bond proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,031,090</u>	<u>9,031,090</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(423,881)</u>	<u>173,881</u>	<u>-</u>	<u>9,281,090</u>	<u>9,031,090</u>
REVENUE OVER (UNDER) EXPENDI- TURES AND OTHER FINANCING SOURCES (USES)	(819,569)	(165,581)	(66,790)	8,045,287	6,993,347
FUND BALANCE, Beginning of year	<u>5,848,651</u>	<u>273,268</u>	<u>104,422</u>	<u>821,448</u>	<u>7,047,789</u>
FUND BALANCE, End of year	<u>\$ 5,029,082</u>	<u>\$ 107,687</u>	<u>\$ 37,632</u>	<u>\$ 8,866,735</u>	<u>\$ 14,041,136</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 - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 2001

	<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>
REVENUE						
Taxes and assessments	\$ 13,779,753	\$ 14,092,597	\$ (312,844)	\$ -	\$ -	\$ -
Interest on investments	458,028	365,400	92,628	37,381	16,500	20,881
Other local sources	2,868,487	2,844,320	24,167	-	-	-
Miscellaneous	23,388	100,000	(76,612)	3,250	10,000	(6,750)
<i>Total Revenue</i>	<u>17,129,656</u>	<u>17,402,317</u>	<u>(272,661)</u>	<u>40,631</u>	<u>26,500</u>	<u>14,131</u>
EXPENDITURES						
Personal services	14,044,694	14,085,622	40,928	-	-	-
Materials and services	2,901,635	2,957,709	56,074	-	-	-
Capital outlay	579,015	624,009	44,994	380,093	557,165	177,072
Debt service	-	-	-	-	-	-
Operating contingency	-	-	-	-	-	-
<i>Total Expenditures</i>	<u>17,525,344</u>	<u>17,667,340</u>	<u>141,996</u>	<u>380,093</u>	<u>557,165</u>	<u>177,072</u>
REVENUE OVER (UNDER) EXPENDITURES	(395,688)	(265,023)	(130,665)	(339,462)	(530,665)	191,203
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	173,881	173,882	(1)
Transfers out	(423,881)	(1,568,081)	1,144,200	-	-	-
Bond proceeds	-	-	-	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>(423,881)</u>	<u>(1,568,081)</u>	<u>1,144,200</u>	<u>173,881</u>	<u>173,882</u>	<u>(1)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)						
	(819,569)	(1,833,104)	1,013,535	(165,581)	(356,783)	191,202
FUND BALANCE, Beginning of year	<u>5,848,651</u>	<u>7,000,000</u>	<u>(1,151,349)</u>	<u>273,268</u>	<u>550,000</u>	<u>(276,732)</u>
FUND BALANCE, End of year	<u>\$ 5,029,082</u>	<u>\$ 5,166,896</u>	<u>\$ (137,814)</u>	<u>\$ 107,687</u>	<u>\$ 193,217</u>	<u>\$ (85,530)</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>
\$ 271,480	\$ 235,865	\$ 35,615	\$ -	\$ -	\$ -
26,874	200	26,674	165,602	246,068	(80,466)
-	-	-	-	-	-
-	-	-	68,693	65,000	3,693
298,354	236,065	62,289	234,295	311,068	(76,773)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,470,098	2,710,000	1,239,902
365,144	355,144	(10,000)	-	-	-
-	5,000	5,000	-	190,000	190,000
<u>365,144</u>	<u>360,144</u>	<u>(5,000)</u>	<u>1,470,098</u>	<u>2,900,000</u>	<u>1,429,902</u>
(66,790)	(124,079)	57,289	(1,235,803)	(2,588,932)	1,353,129
-	-	-	250,000	250,000	-
-	-	-	-	-	-
-	-	-	9,031,090	9,000,000	31,090
-	-	-	9,281,090	9,250,000	31,090
(66,790)	(124,079)	57,289	8,045,287	6,661,068	1,384,219
104,422	134,079	(29,657)	821,448	766,109	55,339
<u>\$ 37,632</u>	<u>\$ 10,000</u>	<u>\$ 27,632</u>	<u>\$ 8,866,735</u>	<u>\$ 7,427,177</u>	<u>\$ 1,439,558</u>

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

CLACKAMAS COUNTY FIRE DISTRICT NO. 1, CLACKAMAS COUNTY, OREGON
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN RETAINED EARNINGS -
PROPRIETARY FUND TYPE - ENTERPRISE FUND - TRAINING FUND
YEAR ENDED JUNE 30, 2001

REVENUE	
Charges for services	\$ 1,076
EXPENSES	
Materials and services	<u>2,333</u>
OPERATING LOSS	(1,257)
INTEREST INCOME	<u>1,780</u>
NET INCOME	523
RETAINED EARNINGS, Beginning of year	<u>10,661</u>
RETAINED EARNINGS, End of year	<u>\$ 11,184</u>

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, 2001

CASH FLOWS FROM OPERATING ACTIVITIES

Operating loss \$ (1,257)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received 1,779

NET INCREASE IN CASH

522

CASH, Beginning of year

14,182

CASH, End of year

\$ 14,704

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, 2001

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, 2001

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, 2001.

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, 2001

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, 2001

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, 2001, 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	\$ (334,431)
Bank sweep account	<u>309,910</u>
<i>Total Cash and Investments</i>	(24,521)
Investments in Local Government Investment Pool (fair value \$13,919,019)	<u>13,905,114</u>
	<u>\$ 13,880,593</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.

NOTE RECEIVABLE

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, 2001 was \$32,089 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, 2000 through June 30, 2001:

	<u>Balance July 1, 2000</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2001</u>
Land and buildings	\$ 9,510,180	\$ 1,497,545	\$ 64,493	\$ 10,943,232
Equipment and furniture	<u>7,632,070</u>	<u>661,314</u>	<u>75,025</u>	<u>8,218,359</u>
<i>Totals</i>	<u>\$ 17,142,250</u>	<u>\$ 2,158,859</u>	<u>\$ 139,518</u>	<u>\$ 19,161,591</u>

CLACKAMAS COUNTY FIRE DISTRICT NO. 1, CLACKAMAS COUNTY, OREGON
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2001

LONG-TERM DEBT

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

	<u>Balance July 1, 2000</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance June 30, 2001</u>
Series 1995 bonds payable	\$ 1,910,000	\$ -	\$ 285,000	\$ 1,625,000
Series 2001 bonds payable	-	9,000,000	-	9,000,000
Capital leases	1,258,535	-	142,654	1,115,881
Lease option	120,000	-	60,000	60,000
Accrued compensated absences	810,700	100,595	-	911,295
	<u>\$ 4,099,235</u>	<u>\$ 9,100,595</u>	<u>\$ 487,654</u>	<u>\$ 12,712,176</u>

At June 30, 2001, 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>
2002	\$ 380,000	\$ 611,194	\$ 991,194
2003	615,000	458,601	1,073,601
2004	690,000	431,346	1,121,346
2005	940,000	400,536	1,340,536
2006	980,000	358,699	1,338,699
Thereafter	<u>7,020,000</u>	<u>1,733,655</u>	<u>8,753,655</u>
	<u>\$ 10,625,000</u>	<u>\$ 3,994,031</u>	<u>\$ 14,619,031</u>

At June 30, 2001, 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>
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
2006	181,631	20,842	202,473
Thereafter	<u>289,442</u>	<u>14,268</u>	<u>303,710</u>
	<u>\$ 1,115,881</u>	<u>\$ 200,245</u>	<u>\$ 1,316,126</u>

CLACKAMAS COUNTY FIRE DISTRICT NO. 1, CLACKAMAS COUNTY, OREGON
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2001

LONG-TERM DEBT (Continued)

At June 30, 2001, future maturities in the lease option are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$ 30,000	\$ 2,700	\$ 32,700
2003	30,000	2,700	32,700
	<u>\$ 60,000</u>	<u>\$ 5,400</u>	<u>\$ 65,400</u>

PENSION PLAN

Plan Description

District employees participate in the Oregon Public Employees Retirement System (PERS). Contributions are made for employees after six months of employment unless they are members of PERS, and eligible for contributions when they begin employment. PERS is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for government units in the State of Oregon. Benefits generally vest after five years of continuous service in a PERS covered position. Retirement is allowed at age 58 with unreduced benefits, but retirement is generally available after age 55 with reduced benefits. Compulsory retirement age is 70. Contributions made by, or on behalf of, the employee are payable in a lump sum or monthly amounts using several payment options. Contributions made on behalf of the employee to the employer account can only be taken in monthly payments. PERS also provides death and disability benefits. These benefit provisions and other requirements are established by Oregon revised Statutes, Chapter 238. PERS issues a publicly available comprehensive annual financial report that includes financial statements and required supplement information. The stand-alone report may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, Oregon 97281-3700.

Funding Policy

The District's contributions rate, based on the most current actuarial valuation, was 6% of covered payroll. The required employee contributions is 6% of covered compensation. The contribution requirements of the District are established or may be amended by the PERS Retirement Board while the employees' rate is set by the state statute, ORS 238.200. The District's payroll for employees covered by PERS for the year ended June 30, 2001 was \$10,536,135, the District's total payroll was \$10,784,770.

Annual Pension Cost

For fiscal 2000-01, the District's annual pension cost of approximately \$1,071,406 for PERS was equal to the District's required and actual contributions. The required contributions and liabilities were determined as part of the December 31, 1999 actuarial valuation using the entry age actuarial cost method. Because all PERS employers are required by law to submit the contributions adopted by the Retirement Board, and the employer contributions are calculated in conformance with the standards of Statement No. 27, there is no net pension obligation. The contributions actually made are the equivalent to the annual pension cost. Significant actuarial assumptions used in the valuation include (1) a rate of return on the investment of present and future assets of 8.5% per year; (b) projected annual salary increases for inflation and merit of 4.25% per year; (c) projected automatic post-retirement benefit increases of 2.0% per year; and (d) demographic assumptions that have been chosen to reflect the best estimate of emerging experience of the members of PERS. The unfunded actuarial liability is amortized as a level percentage of covered payroll over a thirty year period on an open basis.

CLACKAMAS COUNTY FIRE DISTRICT NO. 1, CLACKAMAS COUNTY, OREGON
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2001

PENSION PLAN (Continued)

Annual Pension Cost (Continued)

The following table presents three-year trend information for the District's defined benefit pension plan:

<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/99	\$ 1,464,315	100%	\$ 1,464,315
6/30/00	1,688,673	100	1,688,673
6/30/01	1,071,406	100	1,071,406

The following table presents a schedule of funding progress for the District's defined benefit pension plan:

<u>Actuarial Valuation Ending December 31</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Liability (UAL)</u>	<u>Funded Percent</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/95	\$18,666,321	\$19,626,091	\$ 959,770	95%	\$ 5,906,110	16%
12/31/97	23,240,850	22,618,239	(622,611)	103	5,760,150	(11)
12/31/99	58,225,274	60,164,335	1,939,061	97	9,768,912	20

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, 2001

<u>Function</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUE			
Current year taxes	\$ 13,161,726	\$ 13,526,647	\$ (364,921)
Prior years taxes	601,353	565,950	35,403
Other taxes	16,674	-	16,674
Interest	416,721	365,400	51,321
Training income	23,388	20,000	3,388
Contract income	2,794,118	2,824,320	(30,202)
Income, sales of goods and services	6,462	-	6,462
Dividends	41,307	-	41,307
Other income	4,102	-	4,102
Response income	<u>63,805</u>	<u>100,000</u>	<u>(36,195)</u>
 <i>Total Revenue</i>	 17,129,656	 17,402,317	 (272,661)

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, 2001

<u>Function</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
PERSONAL SERVICES			
<i>Personnel</i>			
Fire Chief	\$ 94,762	\$ 94,726	\$ (36)
Assistant Chief	180,926	180,848	(78)
Battalion Chief	823,969	826,400	2,431
Program Manager	277,056	263,923	(13,133)
Community Service - Public Info.	82,862	108,540	25,678
Fire Marshal's Officers	179,589	268,416	88,827
Captain	619,135	601,920	(17,215)
Lieutenant	1,701,774	1,820,988	119,214
Apparatus Operator	2,364,429	2,133,500	(230,929)
Fire Fighter	1,917,207	2,082,588	165,381
Clerical	225,088	248,903	23,815
Other employee	317,235	316,950	(285)
Temporary labor	102,299	154,132	51,833
EMT Certification	472,172	477,159	4,987
<i>Relief</i>			
School replacement	44,017	48,800	4,783
Vacation	653,797	822,064	168,267
Sick leave	247,190	178,383	(68,807)
Administrative leave	28,012	25,000	(3,012)
Overtime	406,316	165,455	(240,861)
<i>Benefits</i>			
Social security	777,932	769,530	(8,402)
Workers compensation	196,028	183,391	(12,637)
PERS pickup	5,685	5,710	25
PERS retirement	1,071,348	1,014,996	(56,352)
Deferred compensation	207,783	225,123	17,340
Unemployment	161	12,000	11,839
Life insurance	18,231	17,858	(373)
Dental insurance	152,964	171,410	18,446
Medical insurance	844,918	836,509	(8,409)
Vehicle allowance	31,009	30,000	(1,009)
Sick leave incentive	800	400	(400)
<i>Total Personal Services</i>	14,044,694	14,085,622	40,928

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, 2001

<u>Function</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
MATERIALS AND SERVICES			
Administration			
Election expense	\$ 23,850	\$ 25,600	\$ 1,750
Meetings expense	18,603	15,360	(3,243)
Short-term interest	29,447	20,356	(9,091)
Civil service	3,364	13,000	9,636
Bank charges	2,342	4,000	1,658
Dues and publications	21,703	14,619	(7,084)
Awards & Recognition	21,020	14,000	(7,020)
Program R & D	9,852	11,600	1,748
Operating expenses	91,920	73,205	(18,715)
Materials			
Fire fighting supplies	36,962	38,750	1,788
EMS & Rescue supplies	52,572	58,900	6,328
Expired medical supplies	46	-	(46)
Fuel	66,679	66,300	(379)
Uniforms and protective equipment	202,160	166,010	(36,150)
Office supplies	45,130	45,100	(30)
Computer/Video software	73,538	134,030	60,492
Photo supplies	4,580	4,500	(80)
Operating supplies	38,198	26,600	(11,598)
Services			
Legal and audit services	539,201	568,669	29,468
Dispatch services	408,416	395,430	(12,986)
Utilities	283,648	277,821	(5,827)
Property/Casualty insurance	66,536	75,629	9,093
Medical exams	199,059	201,705	2,646
Conference and schools	116,990	132,380	15,390
Taxes and assessments	50,737	63,380	12,643
Volunteer Fire Fighters	69,906	56,900	(13,006)
Maintenance Services			
Vehicle maintenance	153,343	149,200	(4,143)
Equipment maintenance	22,551	52,670	30,119
Radio maintenance	13,169	20,950	7,781
Facility maintenance	150,488	149,625	(863)
Office equipment maintenance	10,665	15,820	5,155
Computer/Video maintenance	8,497	9,000	503

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, 2001

<u>Function</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
MATERIALS AND SERVICES			
<i>Operating</i>			
Training	\$ 18,930	\$ 20,050	\$ 1,120
Fire prevention	36,969	35,750	(1,219)
Safety	723	800	77
Miscellaneous	9,841	-	(9,841)
<i>Total Materials and Services</i>	2,901,635	2,957,709	56,074
CAPITAL OUTLAY			
Fire apparatus	-	1,950	1,950
Fire hose	13,714	13,000	(714)
Fire fighting equipment	14,044	39,016	24,972
EMS & Rescue equipment	60,576	74,335	13,759
Communication equipment	113,281	110,345	(2,936)
Facility improvements	84,809	76,575	(8,234)
Furniture, appliances and tools	147,257	159,050	11,793
Office equipment	4,422	7,700	3,278
Computer and A/V hardware	140,503	142,038	1,535
Signal pre-empt equipment	409	-	(409)
<i>Total Capital Outlay</i>	579,015	624,009	44,994
OPERATING CONTINGENCY			
<i>Total Expenditures</i>	17,525,344	17,667,340	141,996
REVENUE OVER (UNDER) EXPENDITURES	(395,688)	(265,023)	(130,665)
OTHER FINANCING SOURCES (USES)			
Transfers out	(423,881)	(1,568,081)	1,144,200
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(819,569)	(1,833,104)	1,013,535
FUND BALANCE, Beginning of year	5,848,651	7,000,000	(1,151,349)
FUND BALANCE, End of year	\$ 5,029,082	\$ 5,166,896	\$ (137,814)

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, 2001

	<u>Actual</u>	<u>Budget</u>	<i>Variance Favorable (Unfavorable)</i>
REVENUE			
Interest	\$ 37,381	\$ 16,500	\$ 20,881
Miscellaneous	<u>3,250</u>	<u>10,000</u>	<u>(6,750)</u>
<i>Total Revenue</i>	40,631	26,500	14,131
EXPENDITURES			
Capital outlay	<u>380,093</u>	<u>557,165</u>	<u>177,072</u>
REVENUES OVER (UNDER) EXPENDITURES	(339,462)	(530,665)	191,203
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>173,881</u>	<u>173,882</u>	<u>(1)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>(165,581)</u>	<u>(356,783)</u>	<u>191,202</u>
FUND BALANCE, Beginning of year	<u>273,268</u>	<u>550,000</u>	<u>(276,732)</u>
FUND BALANCE, End of year	<u>\$ 107,687</u>	<u>\$ 193,217</u>	<u>\$ (85,530)</u>

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, 2001

	<u>Actual</u>	<u>Budget</u>	<i>Variance Favorable (Unfavorable)</i>
REVENUE			
Taxes and assessments	\$ 271,480	\$ 235,865	\$ 35,615
Interest on investments	<u>26,874</u>	<u>200</u>	<u>26,674</u>
<i>Total Revenue</i>	298,354	236,065	62,289
EXPENDITURES			
Debt service	365,144	355,144	(10,000)
Operating contingency	<u>-</u>	<u>5,000</u>	<u>5,000</u>
<i>Total Expenditures</i>	365,144	360,144	(5,000)
REVENUES OVER (UNDER) EXPENDITURES	(66,790)	(124,079)	57,289
FUND BALANCE, Beginning of year	<u>104,422</u>	<u>134,079</u>	<u>(29,657)</u>
FUND BALANCE, End of year	<u>\$ 37,632</u>	<u>\$ 10,000</u>	<u>\$ 27,632</u>

CLACKAMAS COUNTY FIRE DISTRICT NO. 1, CLACKAMAS COUNTY, OREGON
COMBINING BALANCE SHEET - ALL CAPITAL PROJECTS FUNDS
JUNE 30, 2001

	<u>Bond</u>	<u>Capital Projects</u>	<u>Totals</u>
ASSETS			
Cash and investments	\$ 8,821,169	\$ 1,316	\$ 8,822,485
Notes receivable	-	32,089	32,089
Due from other funds	-	136,857	136,857
<i>Total Assets</i>	<u>\$ 8,821,169</u>	<u>\$ 170,262</u>	<u>\$ 8,991,431</u>
 LIABILITIES AND FUND EQUITY			
Liabilities			
Due to other funds	\$ -	\$ 92,607	\$ 92,607
Deferred revenue	-	32,089	32,089
<i>Total Liabilities</i>	-	124,696	124,696
Fund Balances - unreserved	<u>8,821,169</u>	<u>45,566</u>	<u>8,866,735</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$ 8,821,169</u>	<u>\$ 170,262</u>	<u>\$ 8,991,431</u>

CLACKAMAS COUNTY FIRE DISTRICT NO. 1, CLACKAMAS COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2001

	<u>Bond</u>	<u>Capital Projects</u>	<u>Totals</u>
REVENUES			
Interest on investments	\$ 142,165	\$ 23,437	\$ 165,602
Miscellaneous	-	68,693	68,693
<i>Total Revenues</i>	142,165	92,130	234,295
EXPENDITURES			
Capital outlay	352,086	1,118,012	1,470,098
REVENUES OVER (UNDER) EXPENDITURES	(209,921)	(1,025,882)	(1,235,803)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	250,000	250,000
Bond proceeds	9,031,090	-	9,031,090
<i>Total Other Financing Sources (Uses)</i>	9,031,090	250,000	9,281,090
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	8,821,169	(775,882)	8,045,287
FUND BALANCES, Beginning of year	-	821,448	821,448
FUND BALANCES, End of year	<u>\$ 8,821,169</u>	<u>\$ 45,566</u>	<u>\$ 8,866,735</u>

CLACKAMAS COUNTY FIRE DISTRICT NO. 1, CLACKAMAS COUNTY, OREGON
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND - BOND FUND
YEAR ENDED JUNE 30, 2001

	<u>Actual</u>	<u>Budget</u>	<i>Variance Favorable (Unfavorable)</i>
REVENUE			
Interest on investments	\$ 142,165	\$ 225,000	\$ (82,835)
EXPENDITURES			
Capital outlay	352,086	1,685,000	1,332,914
Operating contingency	<u>—</u>	<u>150,000</u>	<u>150,000</u>
<i>Total Expenditures</i>	352,086	1,835,000	1,482,914
REVENUES OVER (UNDER) EXPENDITURES	(209,921)	(1,610,000)	1,400,079
OTHER FINANCING SOURCES (USES)			
Bond proceeds	<u>9,031,090</u>	<u>9,000,000</u>	<u>31,090</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	8,821,169	7,390,000	1,431,169
FUND BALANCE, Beginning of year	<u>—</u>	<u>—</u>	<u>—</u>
FUND BALANCE, End of year	<u>\$ 8,821,169</u>	<u>\$ 7,390,000</u>	<u>\$ 1,431,169</u>

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, 2001

	<u>Actual</u>	<u>Budget</u>	<i>Variance Favorable (Unfavorable)</i>
REVENUE			
Interest in investments	\$ 23,437	\$ 21,068	\$ 2,369
Miscellaneous	<u>68,693</u>	<u>65,000</u>	<u>3,693</u>
<i>Total Revenue</i>	92,130	86,068	6,062
EXPENDITURES			
Capital outlay	1,118,012	1,025,000	(93,012)
Operating contingency	<u>—</u>	<u>40,000</u>	<u>40,000</u>
<i>Total Expenditures</i>	<u>1,118,012</u>	<u>1,065,000</u>	<u>(53,012)</u>
REVENUES OVER (UNDER) EXPENDITURES	(1,025,882)	(978,932)	(46,950)
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>250,000</u>	<u>250,000</u>	<u>—</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	(775,882)	(728,932)	(46,950)
FUND BALANCE, Beginning of year	<u>821,448</u>	<u>766,109</u>	<u>55,339</u>
FUND BALANCE, End of year	<u>\$ 45,566</u>	<u>\$ 37,177</u>	<u>\$ 8,389</u>

CLACKAMAS COUNTY FIRE DISTRICT NO. 1, CLACKAMAS COUNTY, OREGON
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - PROPRIETARY FUND TYPE - ENTERPRISE FUND -
TRAINING FUND
YEAR ENDED JUNE 30, 2001

	<u>Actual</u>	<u>Budget</u>	<i>Variance Favorable (Unfavorable)</i>
REVENUE			
Interest	\$ 1,780	\$ 448	\$ 1,332
Charges for services	<u>1,076</u>	<u>25,000</u>	<u>(23,924)</u>
<i>Total Revenue</i>	2,856	25,448	(22,592)
EXPENDITURES			
Capital outlay	2,333	6,500	4,167
Contingency	<u>—</u>	<u>25,000</u>	<u>25,000</u>
<i>Total Expenditures</i>	<u>2,333</u>	<u>31,500</u>	<u>29,167</u>
REVENUES OVER (UNDER) EXPENDITURES	523	(6,052)	6,575
FUND BALANCE, Beginning of year	<u>10,661</u>	<u>8,153</u>	<u>2,508</u>
FUND BALANCE, End of year	<u>\$ 11,184</u>	<u>\$ 2,101</u>	<u>\$ 9,083</u>

CLACKAMAS COUNTY FIRE DISTRICT NO. 1, CLACKAMAS COUNTY, OREGON
STATEMENT OF PROPERTY TAX TRANSACTIONS
YEAR ENDED JUNE 30, 2001

<u>Tax Roll Year</u>	<u>Taxes Uncollected July 1, 2000</u>	<u>2000-2001 Tax Levy</u>	<u>Taxes Collected Current Year</u>	<u>Net Adjustment to Tax Roll</u>	<u>Taxes Uncollected June 30, 2001</u>
Clackamas County					
Prior years	\$ 3,934	\$ -	\$ 362	\$ 132	\$ 3,704
1992-1993	1,258	-	15	8	1,251
1993-1994	1,807	-	122	17	1,702
1994-1995	2,890	-	809	(278)	1,803
1995-1996	6,046	-	2,538	(259)	3,249
1996-1997	25,881	-	22,942	3,822	6,761
1997-1998	93,003	-	65,842	(2,202)	24,959
1998-1999	211,521	-	108,462	(6,919)	96,140
1999-2000	558,745	-	286,168	(46,710)	225,867
2000-2001	-	<u>14,472,628</u>	<u>13,492,876</u>	<u>(385,709)</u>	<u>594,043</u>
	<u>\$ 905,085</u>	<u>\$ 14,472,628</u>	13,980,136	<u>\$ (438,098)</u>	<u>\$ 959,479</u>
Multnomah County					
			<u>16,658</u>		
			<u>\$ 13,996,794</u>		

CLACKAMAS COUNTY FIRE DISTRICT NO. 1, CLACKAMAS COUNTY, OREGON
SCHEDULE OF INSURANCE IN FORCE
JUNE 30, 2001

<u>Company</u>	<u>Policy Number</u>	<u>Policy Term</u>	<u>Amount of Insurance</u>	<u>Coverage</u>
Kempes	3XZ 114403 00	1/1/01-04	\$ see attached see attached see attached see attached	Property Liability Crime Automobiles
Provident Agency	DCC6442314	7/1/01-02	10,000	Accidental Death & Dismemberment
Hartford Fire Insurance Company	52BPEAI9284	10/1/01-02	200,000	Public Employee Fidelity Bond
SAIF	431322	7/1/01- 6/30/02	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, 2001

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, 2001, and have issued our report thereon dated September 25, 2001. 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 25, 2001.

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, 2001.

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, 2001

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, 2001 and 2002. In the year ended June 30, 2001.

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, 2001, 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: 

Charles A. Swank, Shareholder

September 25, 2001